

APRIL 27, 2015  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Licensing, Legislative,  
Enforcement, and Public Affairs  
Committee Meeting







# CONTRACTORS STATE LICENSE BOARD

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March 16, 2015  
CSLB Headquarters  
John C. Hall Hearing Room  
9821 Business Park Drive, Sacramento, CA 95827**

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APRIL 27, 2015  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Licensing Committee Meeting





## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair's Introductory Remarks

Roll is called by the Committee Chair.

LICENSING COMMITTEE MEMBERS:

LINDA CLIFFORD, CHAIR

KEVIN J. ALBANESE

SUSAN GRANZELLA

FRANK SCHETTER

Committee Chair Linda Clifford will review the scheduled Committee actions and make appropriate announcements.







## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





## AGENDA ITEM C

# Licensing Program Update







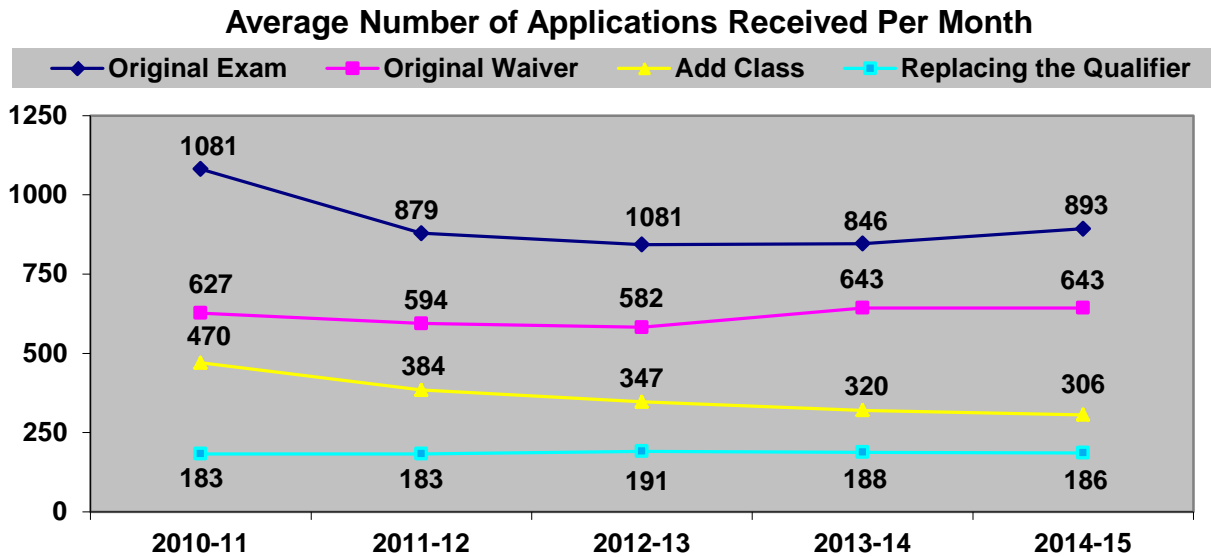
# CONTRACTORS STATE LICENSE BOARD

## LICENSING PROGRAM UPDATE

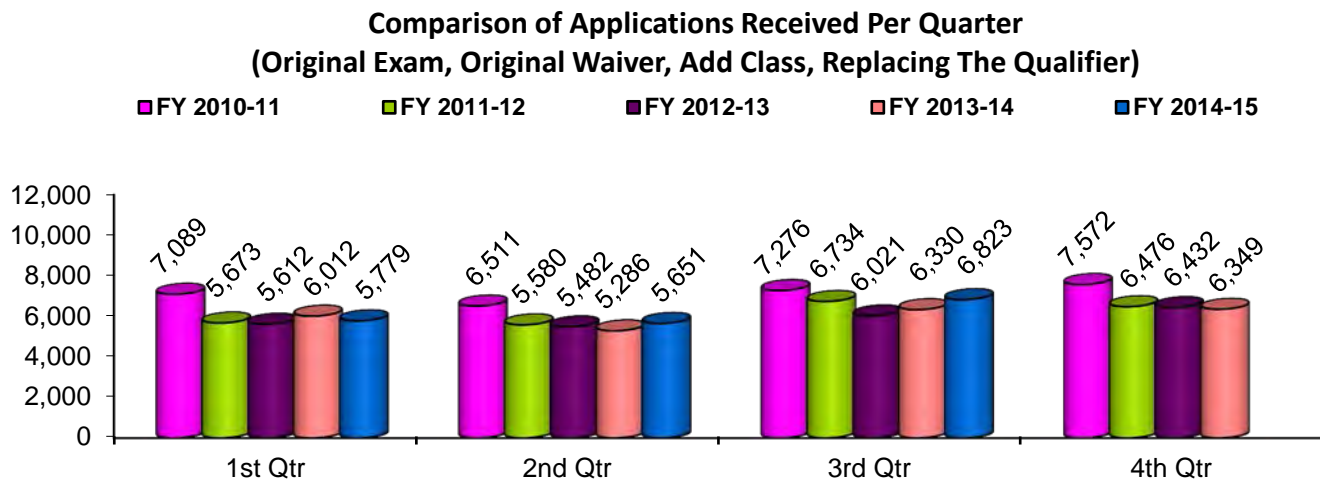
### LICENSE APPLICATION WORKLOAD

The number of applications CSLB received in fiscal year (FY) 2013-14 trended upward 2 percent from the previous year, reversing the decline in recent years because of the economic recession and housing downturn.

The following chart provides the average number of applications received per month:



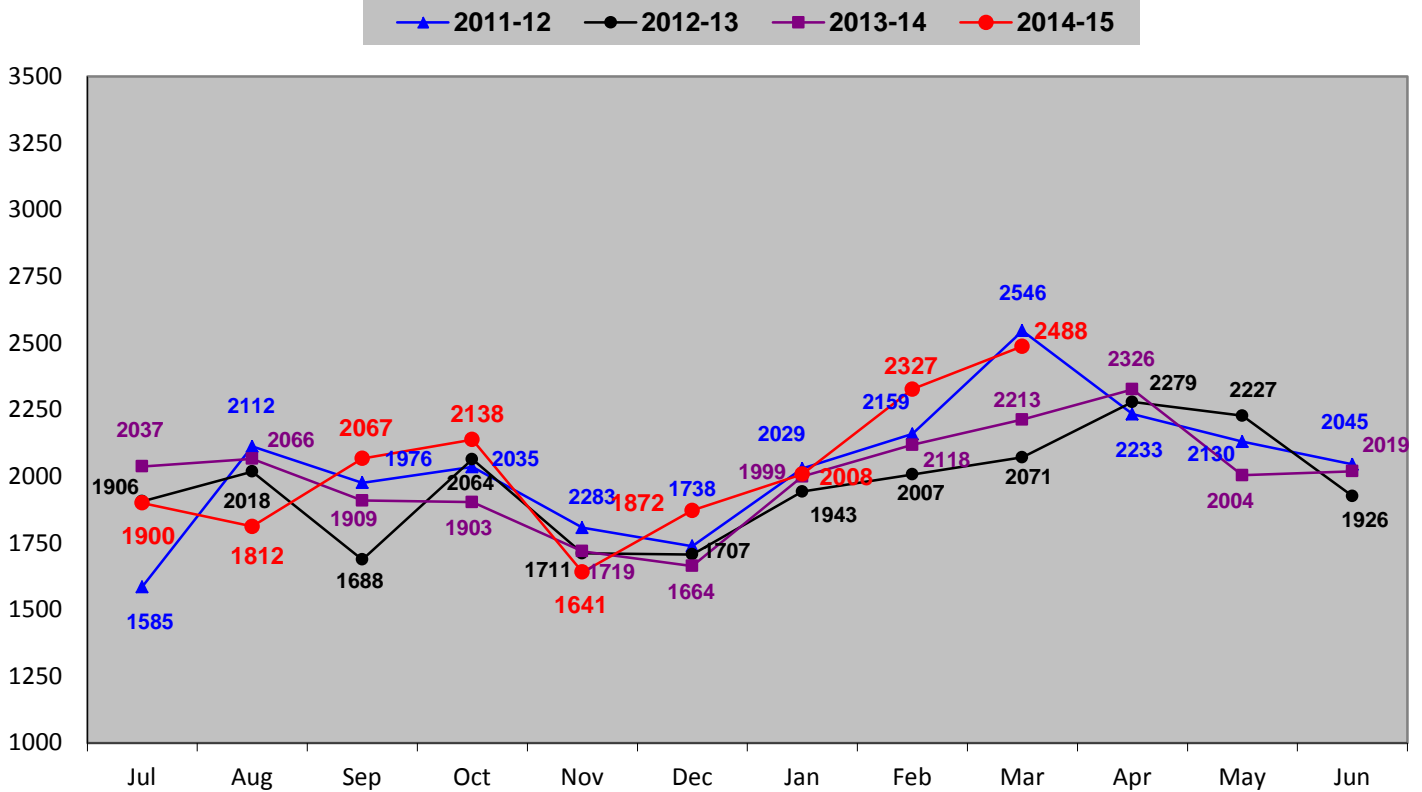
The total number of applications received by fiscal year quarter is shown below:



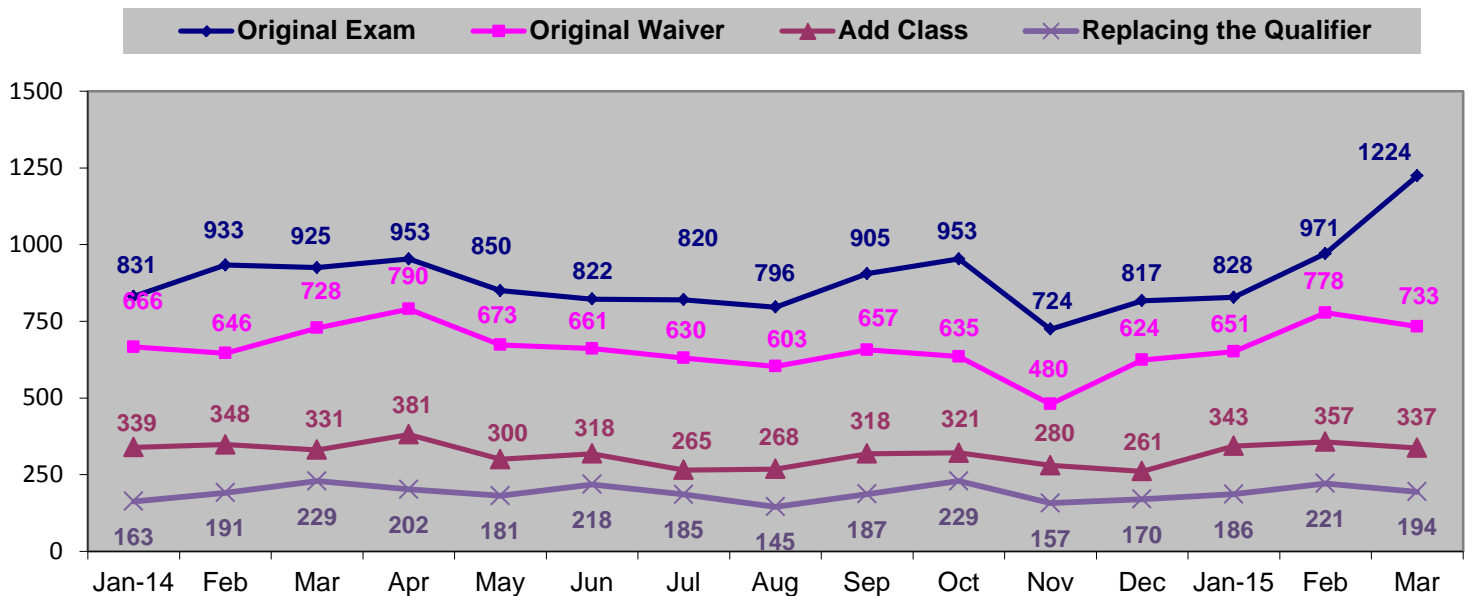
**Increase of 2 percent for total applications received for FY 2013-14  
compared with FY 2014-15**



**Total Number of Applications Received Per Month**  
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



**Number of Applications Received**



**LIMITED LIABILITY COMPANIES (LLCs)**

Effective January 1, 2012, a new law (SB 392) authorized CSLB to issue licenses to LLCs.

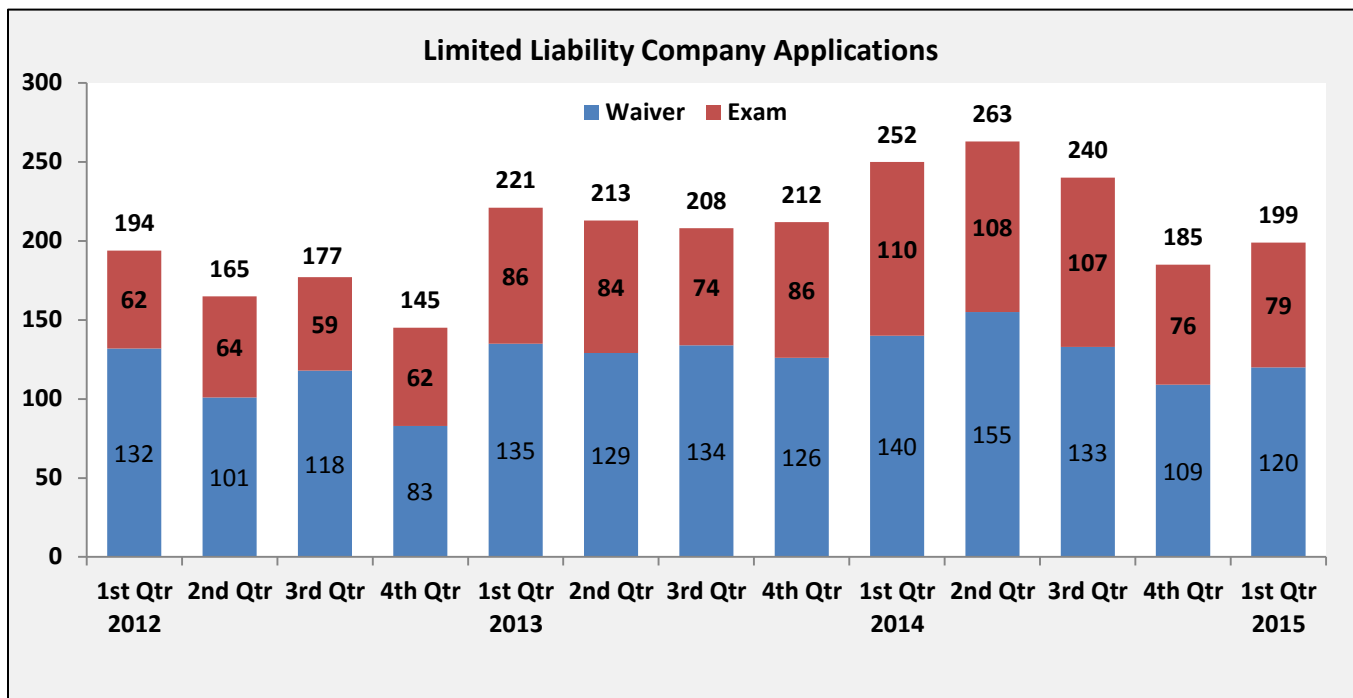
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” With this law, the Legislature intended to also apply this doctrine to LLCs.

Since case law has not yet established this principle in California, applicants must secure an additional \$100,000 bond for the benefit of workers relative to payment of wages and fringe benefits. This ensures that workers are protected despite the absence of case law dealing with LLCs. This bond is in addition to the \$12,500 contractor bond.

LLCs are qualified by responsible managing officers, responsible managing members, responsible managing managers, or responsible managing employees. All officers, members, managers, directors, and qualifiers of LLCs must be listed on the application as personnel of record.

LLCs also are required to have at least \$1 million in liability insurance when five or fewer persons are listed as personnel, with an additional \$100,000 required for each additional personnel member, not required to exceed \$5 million.

Number of LLC applications received quarterly since January 2012:





### LLC Application (Waivers and Exams Combined) Quarterly Processing Data

Received	194	165	172	132	663	223	204	208	212	847	250	263	240	185	938	199
Returned for Correction	113	99	129	86	427	134	133	134	126	527	156	152	136	119	563	138
Issued	5	10	7	5	27	16	8	9	2	35	16	12	13	24	65	4
Processed	70	53	33	38	194	72	56	57	79	264	72	91	88	39	290	51
Void or Withdrawn	6	3	3	3	15	1	7	8	5	21	6	8	3	3	20	1
Not Yet Processed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.	Year Total	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.	Year Total	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.	Year Total	1 <sup>st</sup> Qtr.
Year	2012					2013					2014					2015

#### Most Common Reasons for Rejection:

1. Personnel listed on application does not match the personnel listed on SOS records
2. LLC/SOS registration number and/or business name is missing or incorrect
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title
4. Questions section (page 2 of application, #10-14) is missing or incomplete

Of the 2,647 original LLC applications received through March 31, 2015, CSLB issued 947 limited liability company contractor licenses. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of Secretary of State. The SOI information is required to process the LLC application and provides staff with the total number and names of LLC personnel, which is crucial to determine the appropriate liability insurance requirement (between \$1 million and \$5 million) for the LLC.



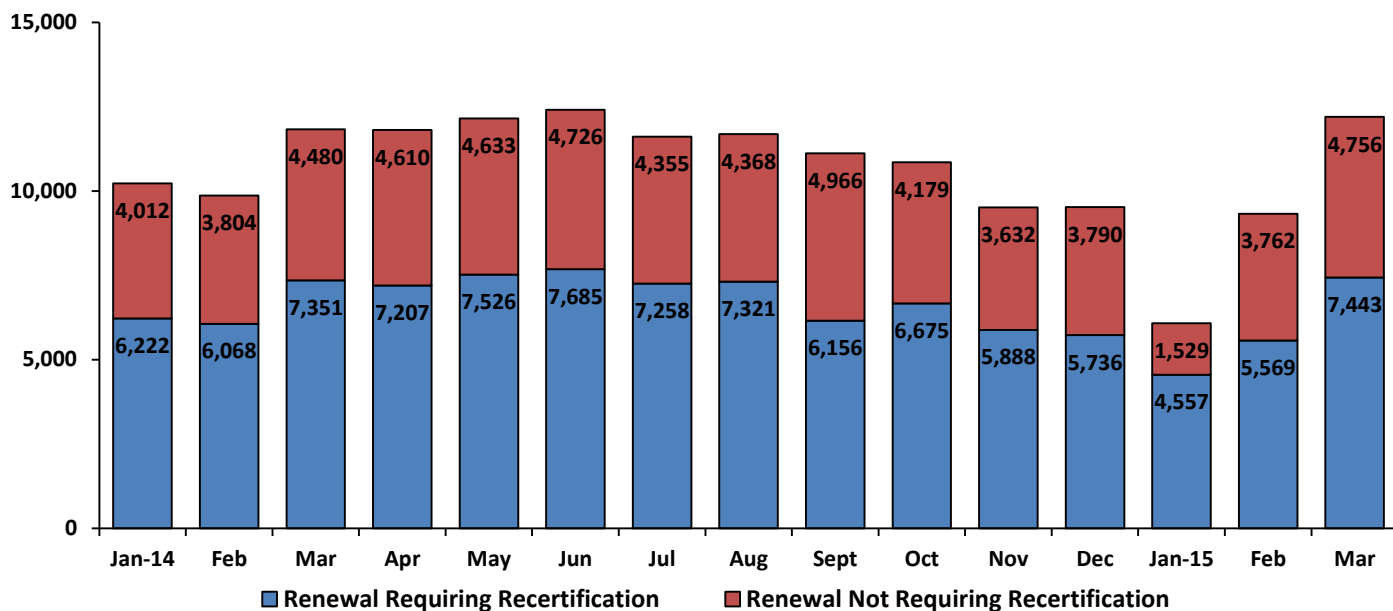


## WORKERS' COMPENSATION RECERTIFICATION

Business and Professions Code §7125.5 (Assembly Bill 397) took effect on January 1, 2012. Licensing implemented the requirements of the new law in January 2013, effective for licenses expiring March 31, 2013. This law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.

The following chart provides a breakdown of the number of renewal applications mailed each month that required recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license.

**Renewal Applications Mailed Per Month**

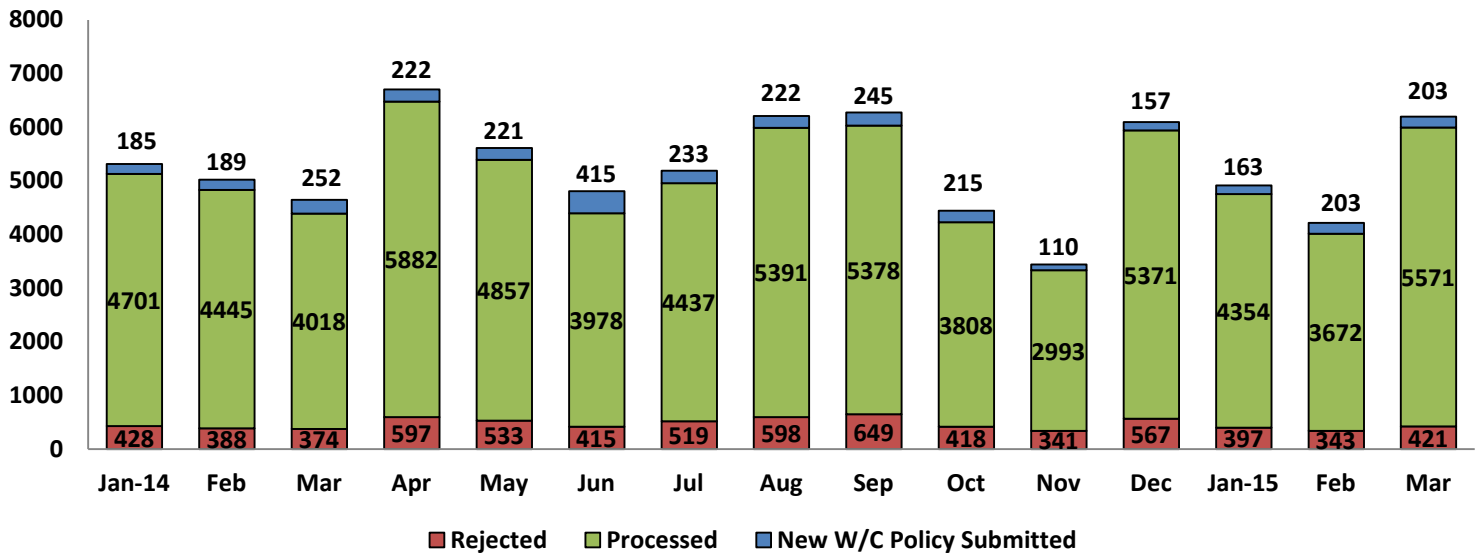


*\*Represents month of mailing, not month of license expiration*



The chart below indicates the number of renewal applications processed each month, beginning in January 2014, which required workers' compensation recertification. Included is the number of new workers' compensation policy certificates received and placed on record during renewal recertification.

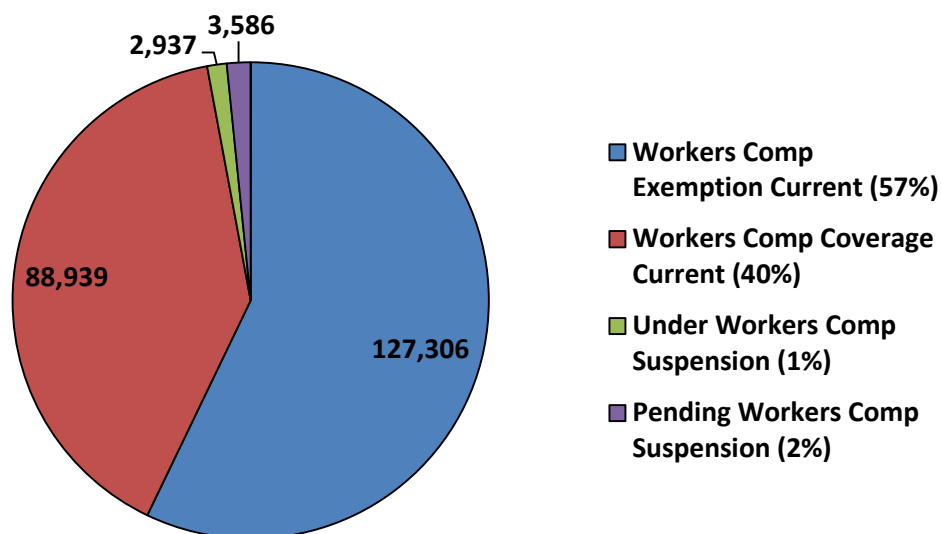
### B&P Code section 7125.5 Renewal Of License Recertification of Exemption for Workers' Compensation Insurance



Data obtained from L737-Renewal Statistics Report

This chart provides a snapshot of workers' compensation coverage for active licenses:

### Workers' Comp Coverage for Active Licenses - April 1, 2015



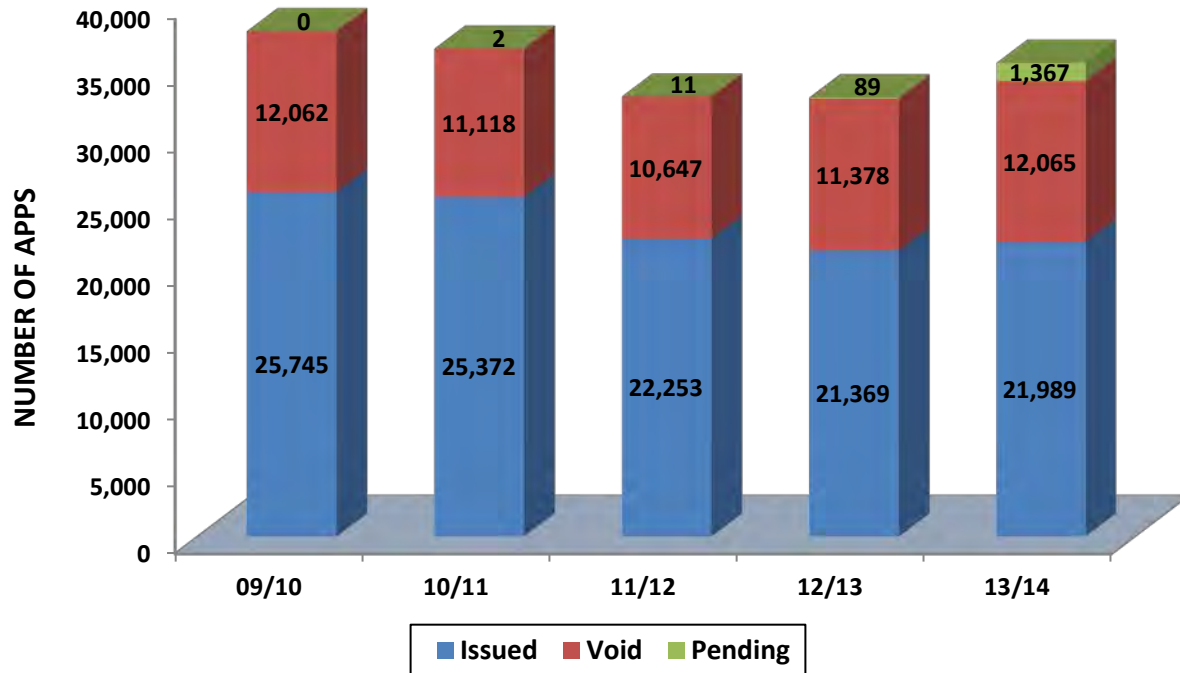
Total Number of Active Licenses: 222,768

Data obtained from Teale Program ACTLICWC



**Disposition of Applications by Fiscal Year**  
**Teale Report S724: Run Date 04-01-2015**

(Includes: Original, Add Class, Replacing the Qualifier, Home Improvement Salesperson, Officer Changes)



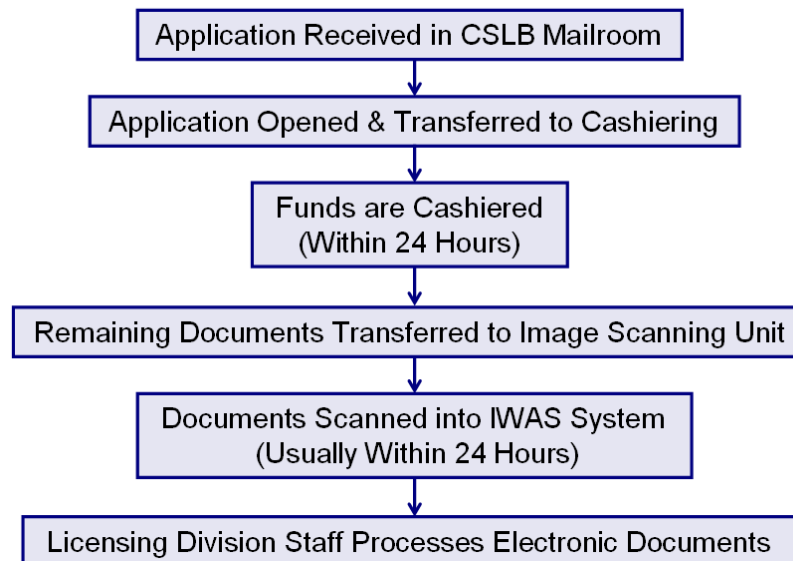
CSLB management continues to monitor processing times for the various licensing units on a weekly and monthly basis. The charts on the last four pages of this report track the “weeks to process” for the application and license maintenance/transaction units.

The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

The time-to-process timelines for applications and renewals include an approximate two-day backlog that accounts for the required cashiering and image-scanning tasks that must be completed before an application or document can be processed.



### **CSLB Application Processing Route**



Since FY 2008-09, Licensing has used a diminished amount of overtime, in contrast to previous years when overtime was a regular occurrence due to furloughs. Throughout schedule and staff level fluctuations, Licensing has maintained acceptable processing times.

### **FINGERPRINTING/CRIMINAL BACKGROUND UNIT**

Since January 2005, all applicants for a CSLB license, and each officer, partner, owner, and responsible managing employee, as well as all applicants to be home improvement salespersons, must be fingerprinted and undergo a criminal background check conducted by the California Department of Justice (DOJ). Individuals currently licensed by CSLB who do not apply for any changes to their license and applicants for a joint venture license are not required to be fingerprinted.

Criminal Background Unit (CBU) staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage to clear applicants who have minor, clearable convictions, provided that the applicant honestly disclosed that information on the CSLB application. Applicants who do not disclose what would have been considered minor, clearable convictions may be given the opportunity to withdraw the false application and submit a new one that lists their conviction(s), and include appropriate fees. These withdrawal offers also are processed as part of the triage.

Since the fingerprint program began, CSLB has received 319,215 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants fingerprinted during that time, CBU staff received CORI for over 55,800 applicants, an indication that DOJ and/or the Federal Bureau of Investigation had a criminal conviction(s) on record for that individual.



As a result of CORI files received through March 31, 2015, CBU denied 1,220 applications and issued 1,533 probationary licenses; 609 applicants appealed their denials.

Below is a breakdown of CBU statistics by fiscal year.

<b>Criminal Background Unit Statistics</b>								
	FY 04-05 thru FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
DOJ Records Received	188,847	27,330	24,730	18,805	18,270	20,395	20,838	319,215
CORI RAPP Received	30,153	5,254	5,201	3,997	3,663	3,768	3,059	55,883
Denials	844	63	108	70	67	37	31	1,220
Appeals	406	29	62	39	36	23	14	609
Probationary Licenses Issued	622	203	243	146	71	76	72	1,533

## **EXPERIENCE VERIFICATION UNIT**

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants' claims of work experience. Until 2005, application experience investigations were performed by the Licensing division. However, in early 2005, when the fingerprinting requirements were implemented, Licensing requested that the application experience investigation workload be transferred to the Enforcement division. This enabled Licensing staff, who had previously conducted application experience investigations, to review criminal histories. But, as of June 1, 2014, Licensing has reassumed the formal application investigation process. Licensing will continue to follow the same procedures as Enforcement.

In January 2013, in order to streamline the application process, as well as to reduce the time and expense of formal investigations, Licensing combined the work experience verification process with the standard application review. The goal of the program is to assist qualified applicants in becoming licensed and to ensure that all licensed contractors meet minimum qualifications. While this process is not a formal investigation, it is intended to verify the work experience claimed by the applicant. Applicants are provided with a number of options for verifying their experience. In instances when CSLB is unable to confirm the experience, three options are offered to the applicant:

- Identify a new qualifier who possesses the required experience;
- Withdraw the application and reapply when the necessary experience has been gained; or
- Request a formal experience investigation.

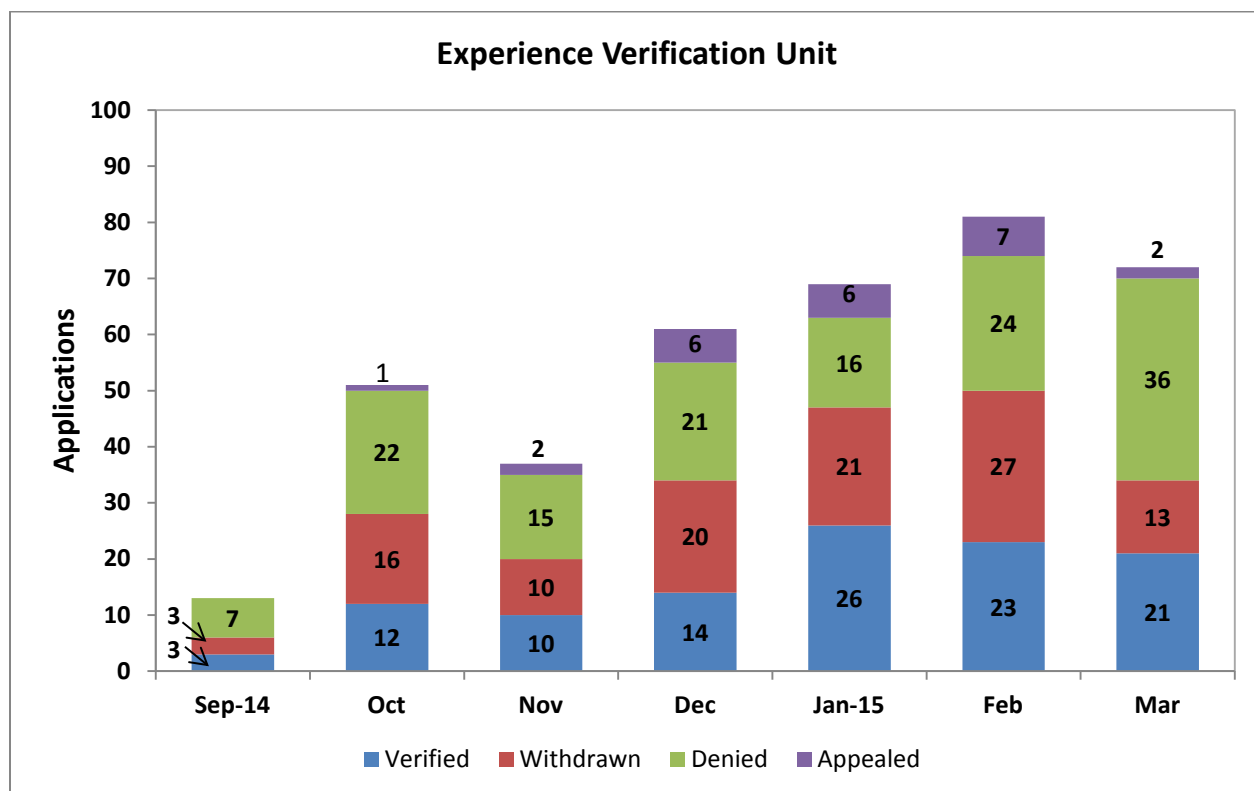


In December 2013, CSLB conducted a seminar for contractor schools to review the experience verification process so they could better help clients provide CSLB the necessary verification information to become licensed.

Also, in June 2014, application processing staff underwent training on procedures to verify experience. Following the training, about 40 percent fewer applications were referred for formal investigation compared with the previous quarter.

The Experience Verification Unit was transferred to the Licensing Division on July 1, 2014, and fully staffed by November 20, 2014. Statistical reporting for the unit was in place September 1, 2014.

The following chart provides a monthly breakdown of the action taken for applications referred to the Experience Verification Unit.



Since implementation, the Experience Verification Unit staff has been assigned a total of 368 applications for experience verification and the number of applications referred to the unit each month meets the 3 percent minimum requirement (Business and Professions Code §7068(g) and California Code of Regulations 824).

The Experience Verification Unit denied 139 applications, of which 24 were appealed, and verified 108 for continued processing. One hundred ten applications were withdrawn.



Currently, 115 applications are pending further review or awaiting additional supporting experience documentation from the applicant.

The chart below provides the classification breakdown for appeals, denials, withdrawals, and experience verifications for fiscal year 2014-15 through March 31, 2015.

**Experience Verification By Classification**

<b>Classification</b>	<b>Appealed</b>	<b>Withdrawn</b>	<b>Verified</b>	<b>Denied</b>
A General Engineering	2	13	8	8
B General Building	17	76	57	93
C-5 Framing/Rough Carp			1	
C-6 Cabinet-Millwork			1	
C-7 Low Voltage			2	1
C-8 Concrete			2	1
C-9 Drywall				3
C-10 Electrical		6	4	2
C-12 Earthwork & Paving		1		2
C-15 Flooring		1	1	2
C-16 Fire Protection			1	
C-17 Glazing				1
C-20 HVAC	1	3	3	5
C-21 Bldg. Moving Demo				2
C-23 Ornamental Metal			1	
C-27 Landscaping	1	4	6	6
C-29 Masonry		1		
C-31 Construction Zone				1
C-33 Painting			2	2
C-35 Lath-Plaster	1		1	1
C-36 Plumbing	1	1	9	6
C-39 Roofing				1
C-46 Solar	1		1	1
C-54 Tile		1	3	
C-57 Well Drilling		1	2	
C-60 Welding		1		
C-61 Limited Specialty		1	3	1
<b>Totals</b>	<b>15</b>	<b>110</b>	<b>108</b>	<b>139</b>

**LICENSING INFORMATION CENTER (LIC)****LIC Workload**

LIC (call center) staff has continued to exceed Board goals. To date, for fiscal year 2014-2015, call center agents answer approximately 13,000 calls per month. Call wait times averaged only 4:41, with 95 percent of all incoming calls answered. The average length of each call was 3:49.

These improved statistics can be attributed to improved staffing levels and training. Employees hired in 2014 continue to benefit from comprehensive training and are becoming more seasoned each day.

**Staffing Update**

Licensing hired four new Program Technician IIs for the call center during March 2015, who are now shadowing veteran LIC agents, listening and observing in preparation for taking live calls. The call center currently has one vacancy, with 14 full-time Program Technician II's and two Retired Annuitants.

**Increased Training**

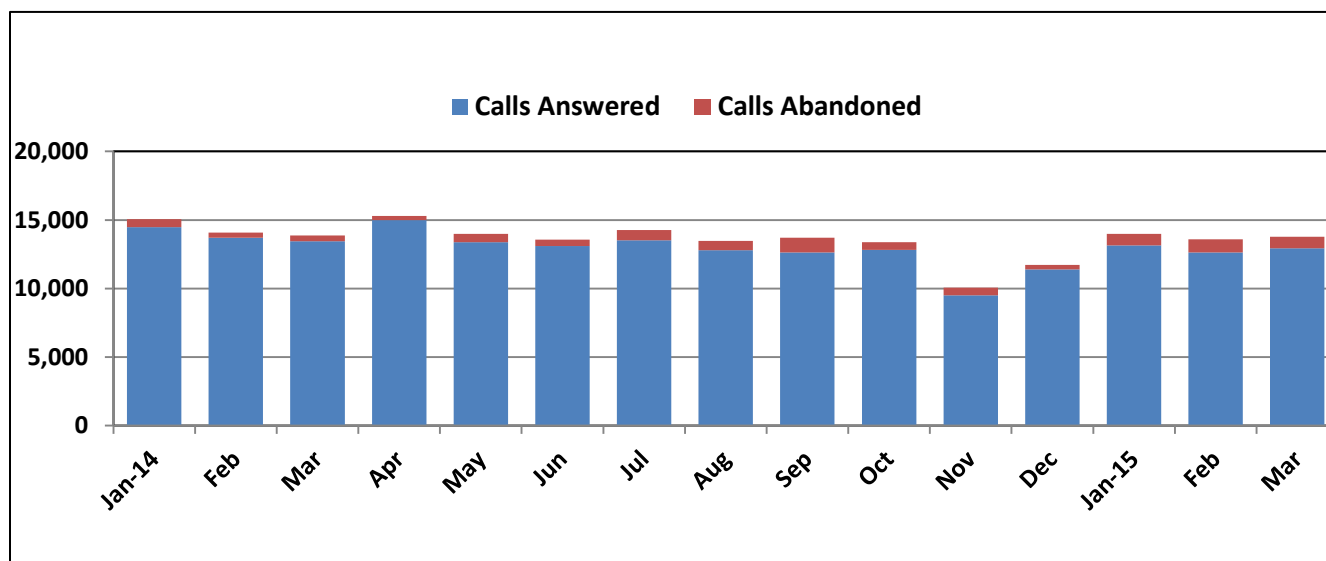
LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC also plans to schedule bi-monthly classification training with the CSLB Classification Deputy, as well as cross-training with other Licensing units. The LIC SSA continues to prepare for the next Board orientation for new employees. The orientation, when scheduled, will be webcast via CSLB's intranet for staff in Southern California offices.





**LICENSING INFORMATION CENTER CALL DATA**

	Jan '14	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '15	Feb	Mar
Calls Received	14,484	13,699	13,868	15,289	13,997	13,566	14,271	13,467	13,759	13,397	10,090	11,735	13,984	13,595	13,788
Calls Answered	13,919	13,325	13,456	14,983	13,370	13,100	13,521	12,805	12,637	12,809	9,507	11,405	13,156	12,633	12,927
Calls Abandoned	564	373	412	305	626	466	747	657	1,067	567	566	327	823	958	854
Longest Wait Time	10:46	4:46	4:39	5:48	8:37	5:49	10:50	13:35	10:10	7:52	12:05	5:56	10:32	12:59	12:17
Shortest Wait Time	0:27	0:26	0:17	0:18	0:27	0:26	0:30	0:39	1:18	0:28	0:19	0:10	0:45	0:44	0:31
Average Wait Time	2:37	1:50	2:10	1:23	1:44	2:28	4:36	4:35	4:53	4:48	4:43	4:46	4:39	4:30	4:12





## **JUDGMENT UNIT**

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment Unit processes all documentation and correspondence related to resolving issues such as, satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
  - Division of Occupational Safety and Health
  - Division of Labor Standards Enforcement
- Franchise Tax Board
- State Board of Equalization
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment, or payment of claim, an initial letter is sent to the licensee explaining options and the timeframe to comply, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

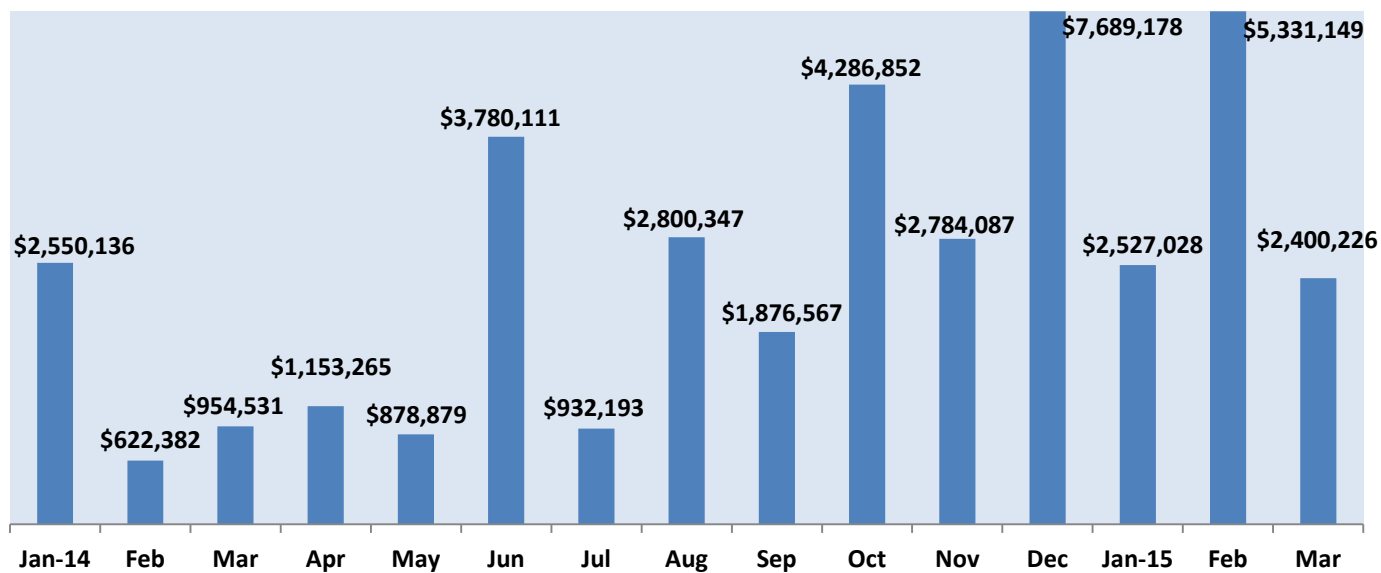
If the licensee fails to comply within the allotted timeframe, the license is suspended and a notice of suspension is sent to the contractor. Upon compliance, a reinstatement letter is sent to the licensee.



**Outstanding Liabilities**

Letter Type Sent	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar
Initial	75	80	42	82	54	41	91	24	86	89	48	54	46	46	38
Suspend	64	30	40	97	37	66	41	31	72	22	63	88	42	40	42
Reinstate	47	29	40	42	33	60	36	31	61	83	63	173	63	100	42

**Savings to the Public**

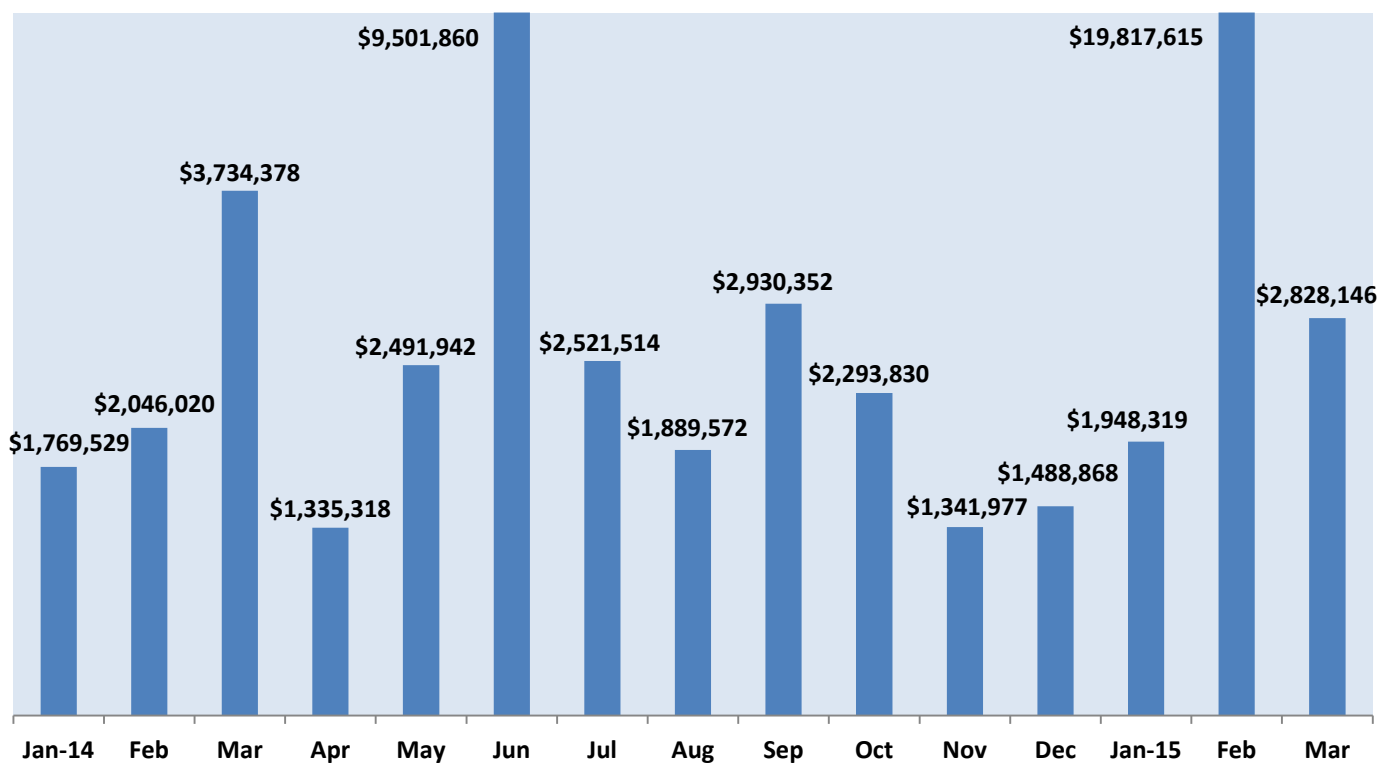




**Judgments**

Letter Type Sent	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar
Initial	159	149	199	213	151	220	184	191	183	192	137	145	181	112	185
Suspend	48	56	52	54	33	72	86	57	117	95	100	103	96	53	68
Reinstate	108	115	137	128	118	118	118	109	123	117	97	116	109	132	134

**Savings to the Public**

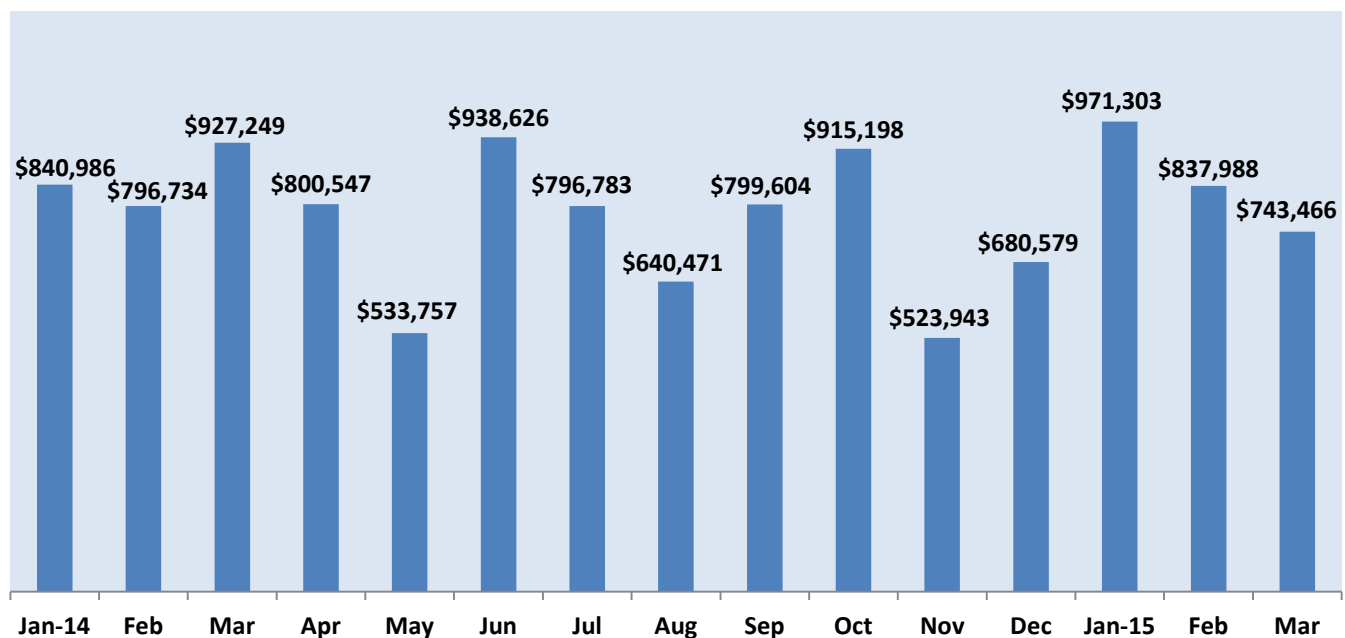




**Bond Payment of Claims**

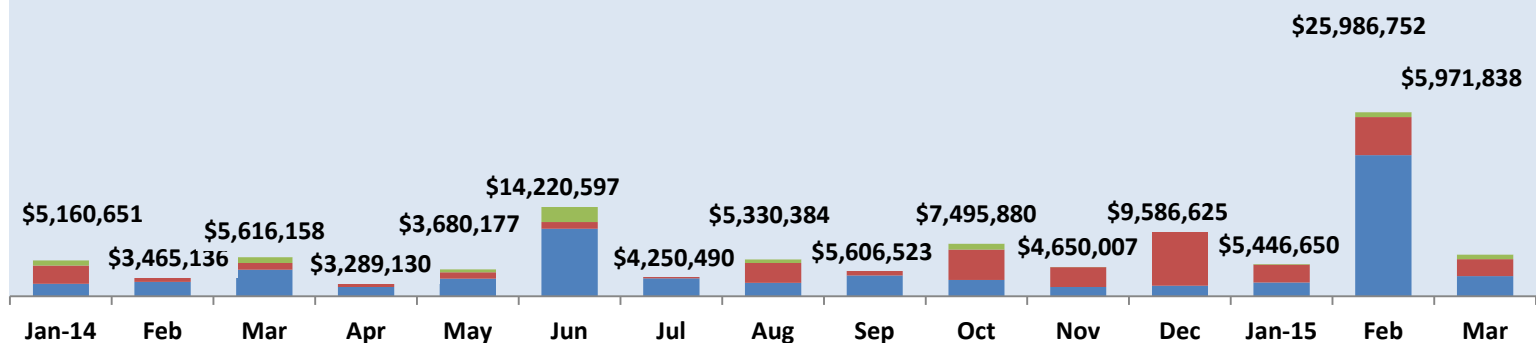
Letter Type Sent	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar
Initial	157	122	201	150	56	323	183	124	219	271	93	150	253	153	122
Suspend	173	106	41	60	62	98	57	8	187	86	41	142	126	39	60
Reinstate	154	135	144	133	90	176	147	118	140	155	103	126	159	148	130

**Savings to the Public**



**Total Savings to the Public**

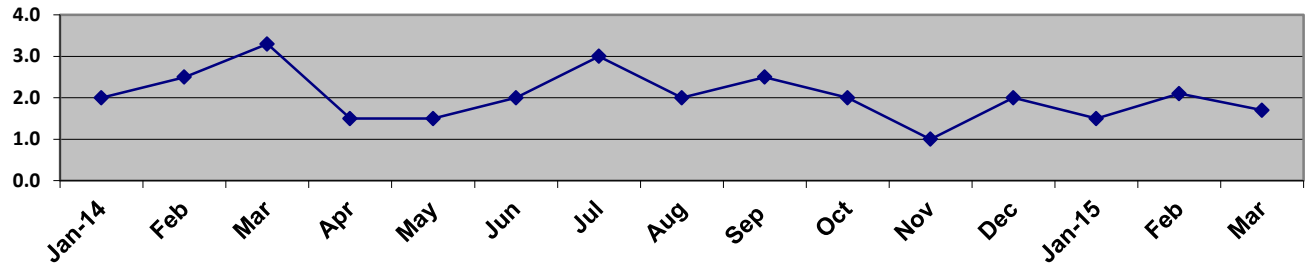
■ Judgments ■ Outstanding Liabilities ■ Payments of Claim



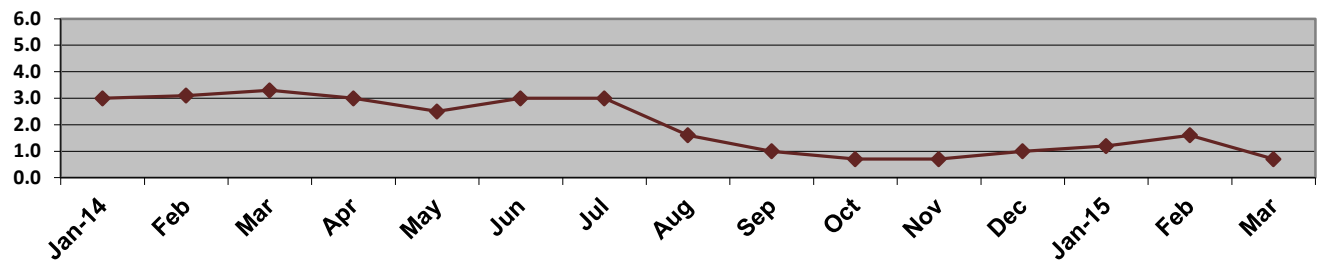


## Number of Weeks before Being Pulled for Processing

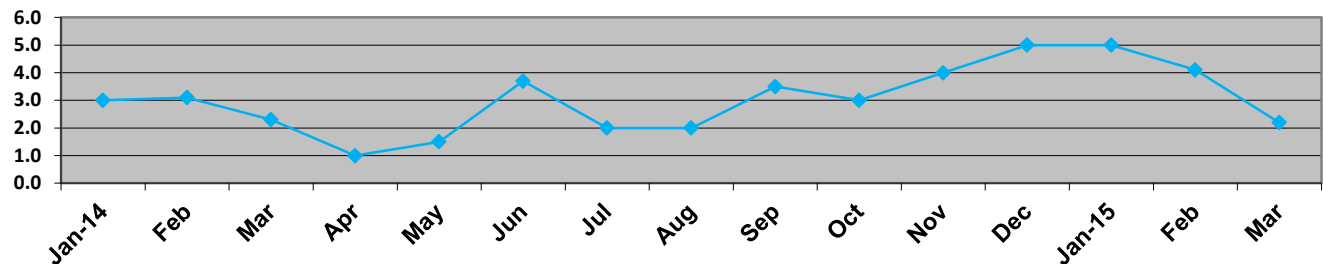
### Application for Original License - Exam



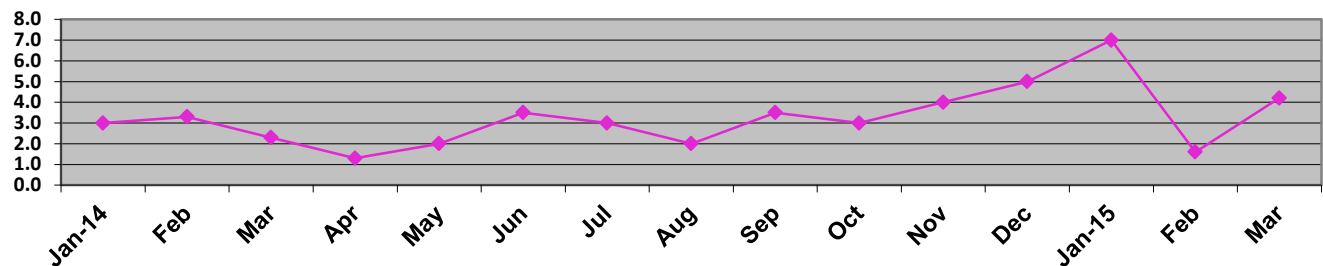
### Application for Original License - Waiver



### Application for Additional Classification



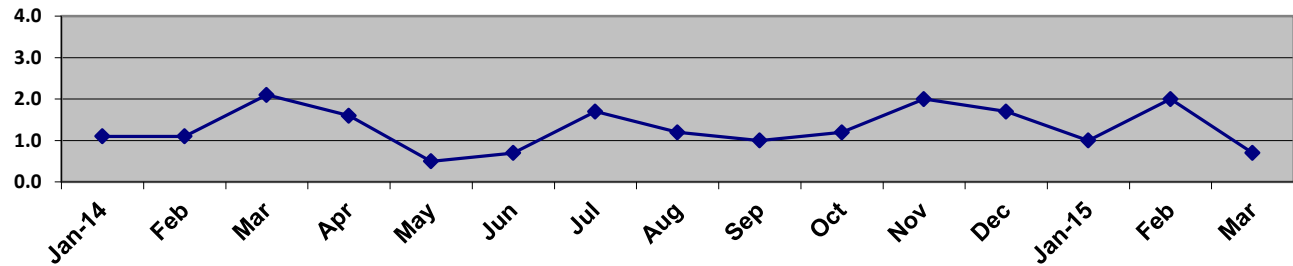
### Application to Replace the Qualifier



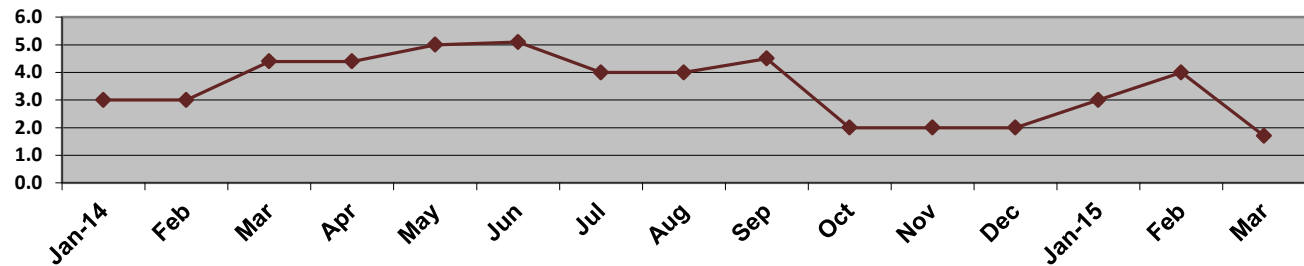


## Number of Weeks before Being Pulled for Processing

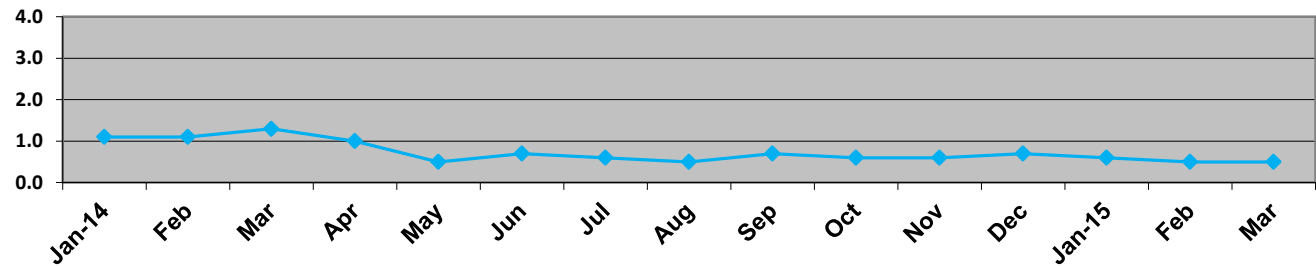
### Application for Renewal



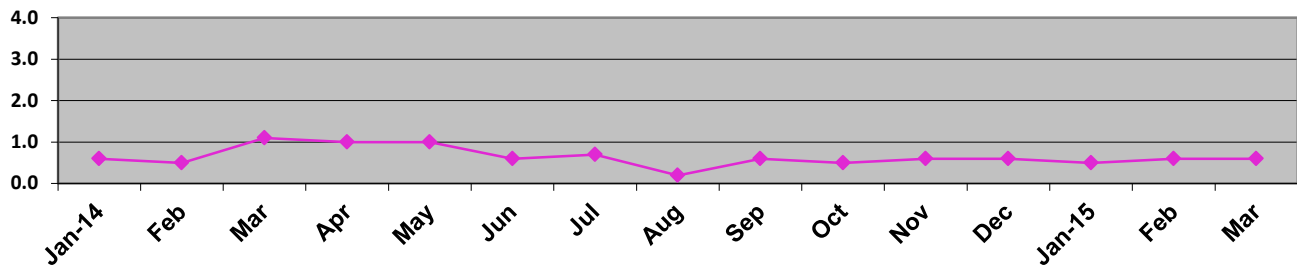
### Home Improvement Salesperson (HIS) Application



### Application to Add New Officer



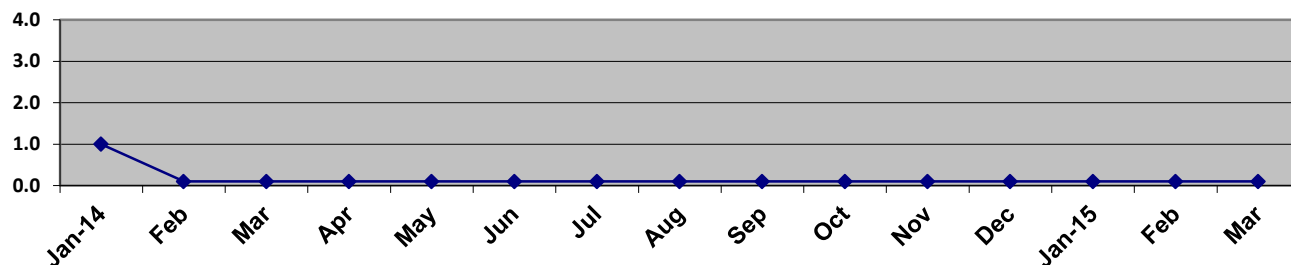
### Application to Change Business Name or Address



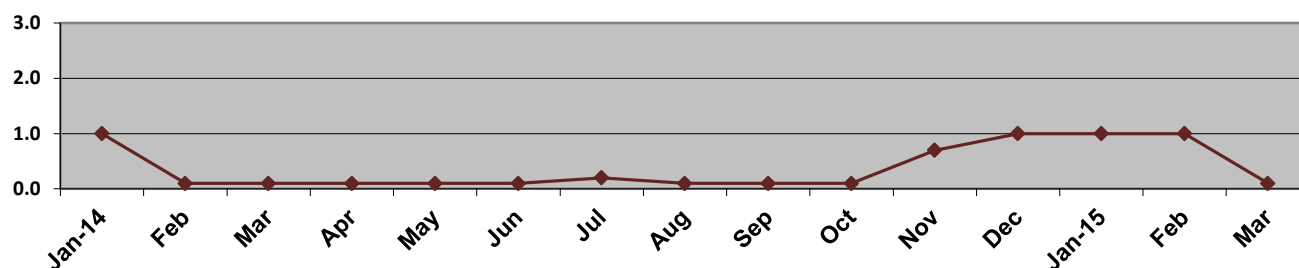


## Number of Weeks before Being Pulled for Processing

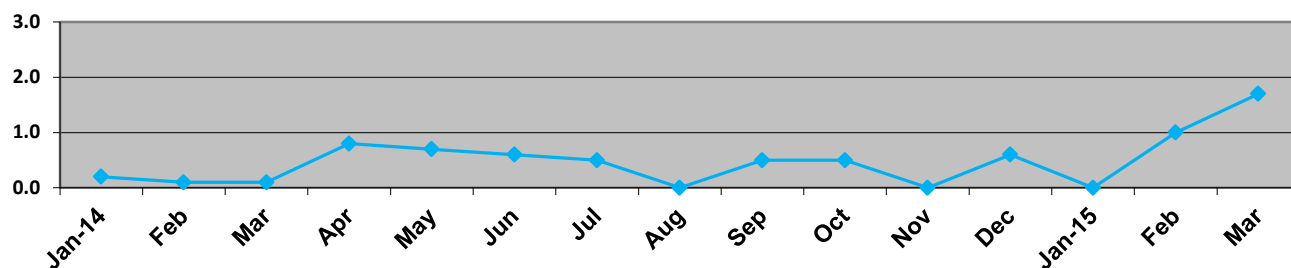
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond,  
Disciplinary Bond and Qualifier Exemptions



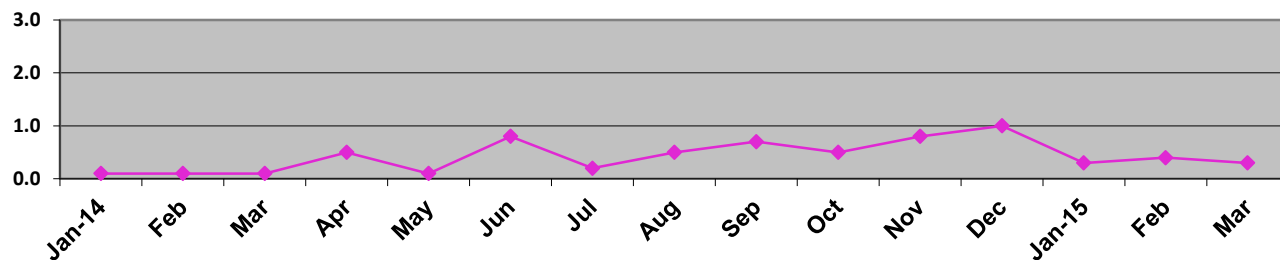
## Workers' Compensation Certificates and Exemptions



## Certified License History



## Request for Copies of Documents

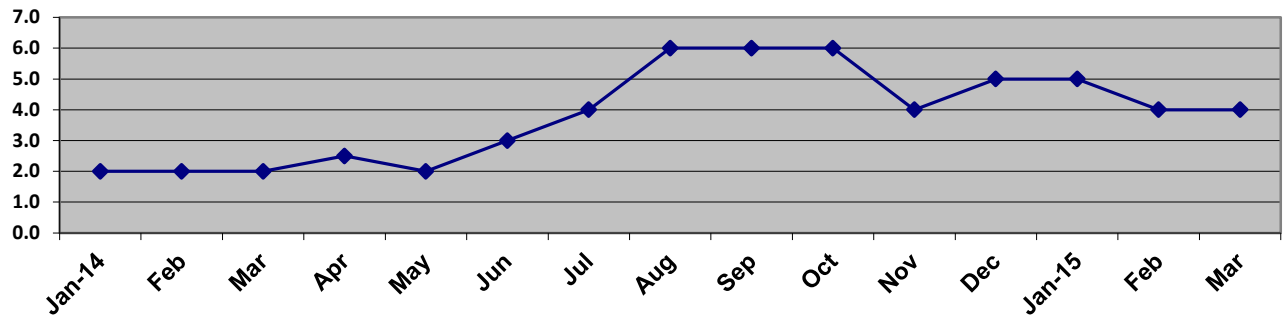






## Number of Weeks before Being Pulled for Processing

### Criminal Background Unit – CORI Review





## AGENDA ITEM D

# Testing Program Update



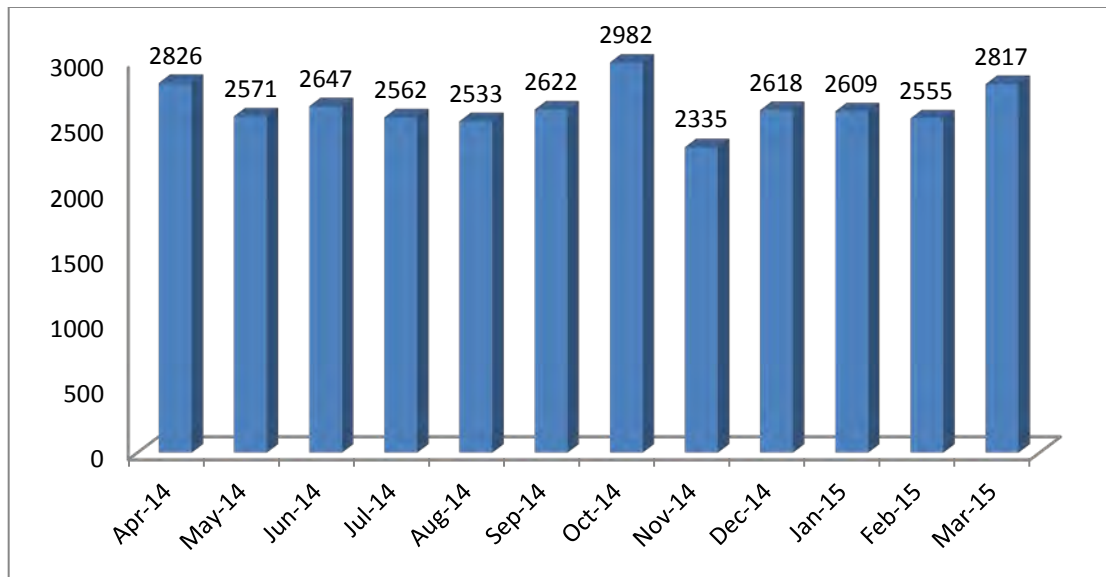




### EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 46 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response (IVR) messages received by CSLB that are related to testing.

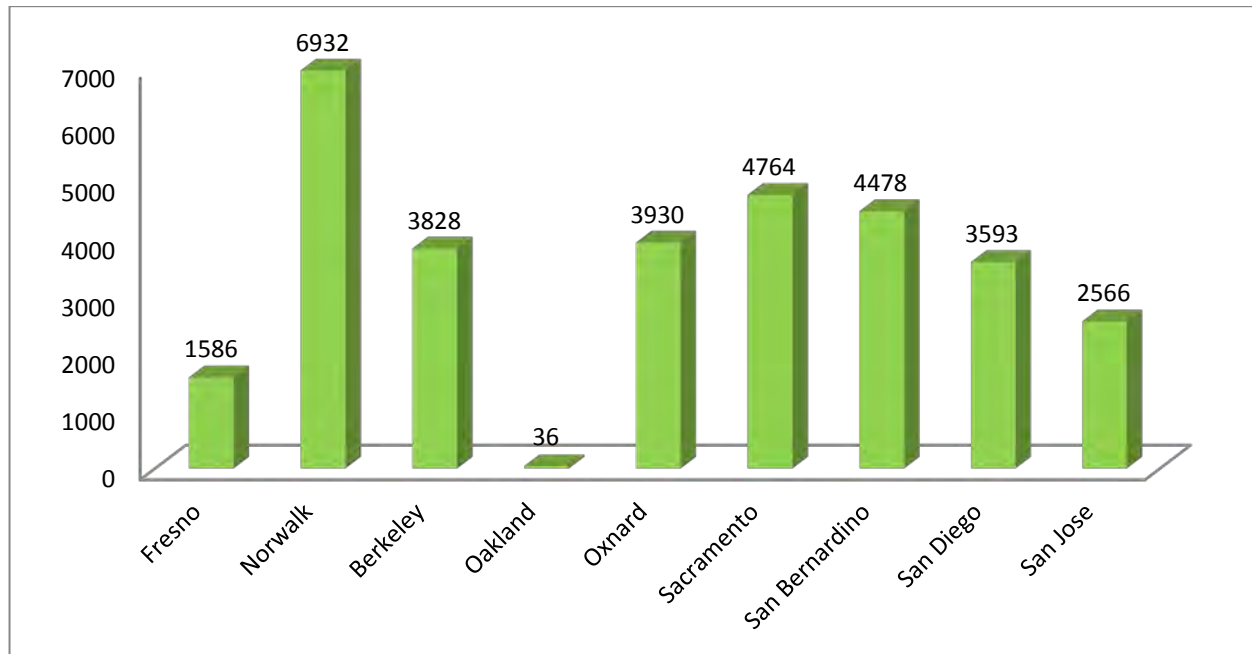
### Number of Examinations Scheduled April 2014 – March 2015



### Test Center Status

CSLB maintains test centers in the following locations:

- Sacramento
- Berkeley
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego

**Number of Examinations Scheduled by Test Center April 2014 – March 2015**

(This table includes data for both Oakland and Berkeley; the Oakland Test Center was relocated to Berkeley in April 2014.)

**Examination Administration Staffing**

EAU is fully staffed.

**EXAMINATION DEVELOPMENT UNIT (EDU)**

The Testing division's Examination Development Unit ensures that CSLB's 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

**Occupational Analysis and Examination Development Workload**

Valid licensure examinations involve two ongoing phases: occupational analysis and examination development. This cycle must be completed every five to seven years for each of CSLB's examinations.

The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The cycle starts with interviews of active California licensees statewide. The EDU staff then conducts two

workshops with these Subject Matter Experts, along with online surveys of job tasks and relevant knowledge. Paper surveys are also used, when necessary, to ensure a sufficient sample size of representative licensees. The end product is a validation report that includes an examination outline, which serves as a blueprint for constructing examination versions/forms.

The examination development phase involves numerous workshops to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.

EDU released a new examination in March 2015: C-36 Plumbing examination.

<b>Occupational Analyses in Progress</b>	<b>New Examinations in Progress</b>
C-8 Concrete	A General Engineering
C-9 Drywall	B General Building
C-17 Glazing	C-6 Cabinet, Millwork and Finish Carpentry
C-27 Landscaping	C-11 Elevator
C-29 Masonry	C-15 Flooring and Floor Covering
C-31 Construction Zone Traffic Control	C-20 Warm-Air Heating, Ventilating and Air Conditioning
ASB Asbestos Certification	C-23 Ornamental Metal
	C-43 Sheet Metal
	C-51 Structural Steel

### **Examination Development Unit Staffing**

EDU has one Office Technician vacancy.

### **Ongoing Consumer Satisfaction Survey**

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email reminder one month after the initial request is sent.

**TESTING DIVISION****Civil Service Examinations**

In addition to licensure examinations, EDU develops and EAU administers examinations for civil service classifications that are used by CSLB. The Management Services Technician examination was administered at four test centers on April 14, 2015.



## AGENDA ITEM E

# Review, Discussion and Possible Action Regarding 2015–16 Licensing Strategic Plan Objectives







# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN – 2015-16 UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

LICENSING & TESTING OBJECTIVES	TARGET	DESCRIPTION	YES/NO
1. Research Security Devices for Testing Center and Workshop Conference Room Windows (I)	June 2015	Research and evaluate various security devices that could be installed in test centers and conference rooms.	
2. Evaluate Testing Centers for Functionality (I)	August 2015	Determine possible improvements to the layout (floor plan, types of cubicles, etc.) of test centers.	
3. Research National Contractor Examinations (B)	August 2015	Testing Division staff will review and evaluate existing examinations for licensure in the construction field.	
4. Install Surveillance Cameras in Testing Centers (I)	December 2015	The Department of General Services is putting this project out to bid. This will enhance the security at all eight test centers.	
5. Develop and apply consistent application experience evaluation criteria (E)	<del>July 2015</del> January 2016	Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria	
6. Develop online smart application package to reduce application rejection rates (I)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.	
7. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.	
8. Implement online licensure tool for credit card payment (B)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.	
9. Review Current Reciprocity Agreements (I)	January 2016	Review current agreements with Arizona, Nevada, and Utah; research licensing criteria for other states to determine whether reciprocity should/can be expanded.	
10. Determine Feasibility of Tiered General Building “B” Classification (I)	January 2016	Determine whether a secondary “B” classification is needed to address contractors who provide home improvement services that do not include structural changes.	
11. Fully Implement SCORE 2.0 (E)	September 2016	The most critical SCORE 2.0 modules will be completed first, with completion date of Fall 2016. SCORE 2.0 will provide enhanced functionality for examination development and	



# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN – 2015-16 UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

### Other Possible Objectives

LICENSING & TESTING OBJECTIVES	DESCRIPTION	YES/NO
1.		
2.		
3.		

## AGENDA ITEM F

Review, Discussion and Possible Action  
Regarding Acceptable Forms of  
Supporting Documentation for  
Experience Pursuant to California  
Code of Regulations Section 824





**CONTRACTORS STATE LICENSE BOARD**

9821 Business Park Drive, Sacramento, California 95827  
Mailing Address: P.O. Box 26000, Sacramento, CA 95826  
800-321-CSLB (2752)  
[www.cslb.ca.gov](http://www.cslb.ca.gov) • *CheckTheLicenseFirst.com*

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

**ACCEPTABLE SUPPORTING EXPERIENCE DOCUMENTATION**

Applicants for licensure with the Contractors State License Board (CSLB) must have had, within the last 10 years, a minimum of four (4) years of work experience as a journeyman, foreman, supervising employee, or contractor in the classification for which the applicant is applying. All claimed experience must be supportable by documentation satisfactory to CSLB, including as contained in the following list of acceptable experience documentation that may support an applicant's claimed experience, as reported on a Certification of Work Experience.



<b>TABLE OF ACCEPTABLE SUPPORTING EXPERIENCE DOCUMENTATION</b>			
<b>DOCUMENTATION</b>	<b>EMPLOYED BY A CONTRACTOR</b>	<b>NON- LICENSED SELF- EMPLOYMENT</b>	<b>OWNER- BUILDER</b> (B – General Building classification only)
<b>Wage or Tax Documentation and Paycheck Stubs</b> <ul style="list-style-type: none"><li>Copies of applicant's state or federal income tax forms showing income from construction activities (W-2 from an employer, 1099 from a contractor, Schedule C for self-employment, etc.)</li><li>End-of-year paycheck stubs showing gross earnings and hourly/salary rates</li><li>Wage transcripts can be obtained from the Internal Revenue Service at (800) 829-1040</li></ul>	✓	✓ (tax documents only)	
<b>Employer Contact Information</b> <ul style="list-style-type: none"><li>To verify employment period and scope of work performed</li></ul>	✓		
<b>Duty Statement</b> <ul style="list-style-type: none"><li>If employer had a specific duty statement outlining scope of work performed</li></ul>	✓		
<b>Out-of-State Proof of Employer's Licensure</b> <ul style="list-style-type: none"><li>Proof of employer's out-of-state license status, classification, and personnel of record</li></ul>	✓		

<b>DOCUMENTATION</b> (continued)	<b>EMPLOYED BY A CONTRACTOR</b>	<b>NON- LICENSED SELF- EMPLOYMENT</b>	<b>OWNER- BUILDER</b> (B – General Building classification only)
<b>Notarized Certification of Work Experience</b> <ul style="list-style-type: none"> <li>Notarized Certification of Work Experience written in or translated into English and notarized in the country of origin</li> </ul>	✓		
<b>Permits/Inspections</b> <ul style="list-style-type: none"> <li>Copies of city and/or county building permits, regardless of whether pulled by applicant or homeowner, including permit applications, permits, and final inspection reports</li> <li>Accompanied by statement detailing the work the applicant performed</li> <li>For homeowner permits, include applicant's contract/invoice with a detailed scope of work</li> <li>For B – General Building permits, reflect the square footage of the project and support work in structural framing/rough carpentry and at least two (2) additional unrelated trades – each job must include at least two (2) unrelated trades, other than framing/rough carpentry, but every job does not need to include framing/rough carpentry</li> <li>Copies of permits for plumbing, electrical, roofing, etc. for specific classifications, as applicable</li> </ul>		✓	✓
<b>Contracts</b> <ul style="list-style-type: none"> <li>Copies of complete and signed contracts that have been entered into and performed, including client contact information, description of work performed, and project start and end dates</li> <li>Accompanied by a statement indicating a reasonable estimate of the actual time spent to complete the project</li> </ul>		✓	



<b>DOCUMENTATION</b> (continued)	<b>EMPLOYED BY A CONTRACTOR</b>	<b>NON- LICENSED SELF- EMPLOYMENT</b>	<b>OWNER- BUILDER</b> (B – General Building classification only)
<b>Itemized Bills, Work Orders, and Invoices</b> <ul style="list-style-type: none"> <li>Similar to Contracts above, if documents relate to work performed in the classification for which applicant is applying</li> </ul>		✓	
<b>Canceled Checks</b> <ul style="list-style-type: none"> <li>Copies of both sides of canceled checks from jobs applicant has performed</li> <li>Accompanied by a letter or Certification of Work Experience from person who paid the check describing work performed</li> </ul>		✓	
<b>Copies of Deeds and Proofs of Sale</b> <ul style="list-style-type: none"> <li>For work done on applicant's own properties</li> <li>Accompanied by a statement detailing work done on the properties and dates of projects</li> </ul>			✓
<b>Material Receipts</b> <ul style="list-style-type: none"> <li>To support other documentation (including permits, contracts, invoices, canceled checks, etc.)</li> <li>Accompanied by letters or Certifications of Work Experience from individuals for whom applicant performed the work and applied the materials</li> </ul>		✓	✓
<b>Education</b> <ul style="list-style-type: none"> <li>Sealed official transcripts for evaluation of college degrees/units in related construction trade</li> <li>Transcripts for degree earned outside of the United States must be translated into English and evaluated by an accredited evaluation service that does business within the United States</li> <li>Granted maximum of three (3) years of experience credit</li> </ul>	✓	✓	✓

<b>DOCUMENTATION</b> (continued)	<b>EMPLOYED BY A CONTRACTOR</b>	<b>NON- LICENSED SELF- EMPLOYMENT</b>	<b>OWNER- BUILDER</b> (B – General Building classification only)
<b>Apprenticeship Certificate of Completion</b> <ul style="list-style-type: none"> <li>• Proof of formal apprenticeships in related construction trade, including those administered by unions and vocational or accredited schools</li> <li>• Granted maximum of three (3) years of experience credit</li> </ul>	✓	✓	✓
<b>Union Journeyman Book or Letter From Union Supporting Applicant's Journey-Level Status</b> <ul style="list-style-type: none"> <li>• Copies of hour printouts maintained by unions</li> <li>• To support applicant's claimed experience, as reported on a Certification of Work Experience, and/or journey-level status</li> </ul>	✓	✓	✓
<b>Military Training:</b> <ul style="list-style-type: none"> <li>• Copy of applicant's DD214 or military discharge papers if applicant's military training is related to the classification for which he/she is applying</li> <li>• Military service during a national emergency extends 10-year period in which experience is calculated</li> <li>• To obtain additional information on this and other military benefits for which applicant may qualify, please visit CSLB's website at <a href="http://www.cslb.ca.gov">www.cslb.ca.gov</a> or email <a href="mailto:VeteransInfo@cslb.ca.gov">VeteransInfo@cslb.ca.gov</a></li> </ul>	✓	✓	✓
<b>Electrician Certification:</b> <ul style="list-style-type: none"> <li>• Copy of the Department of Industrial Relations Division of Apprenticeship Standards' Certified Electrician card</li> <li>• To support applicant's claimed C-10 journey-level status</li> </ul>	✓  (Employed by C-10 licensee only)		

<b>DOCUMENTATION</b> (continued)	<b>EMPLOYED BY A CONTRACTOR</b>	<b>NON- LICENSED SELF- EMPLOYMENT</b>	<b>OWNER- BUILDER</b> (B – General Building classification only)
<b>Chlorofluorocarbon (CFC) Certification:</b> <ul style="list-style-type: none"> <li>• Copy of either Type II or Universal CFC Certification, pursuant to Section 608 of the Clean Air Act of 1990 and as required by the Environmental Protection Agency (EPA)</li> <li>• To support applicant's claimed C-20 or C-38 journey-level experience, as documented on a Certification of Work Experience</li> </ul>	 (Employed by C-20 or C-38 licensee only)		
<b>Work Experience and Division of Occupational Safety and Health (DOSH) Registration:</b> <ul style="list-style-type: none"> <li>• Specific C-22 experience, exam waiver, and DOSH Registration requirements are contained in California Code of Regulations section 832.22 and 833</li> <li>• Required to support applicant's claimed C-22 journey-level experience, as documented on a Certification of Work Experience</li> </ul>	 (Employed by C-22 or Asbestos Certification licensee only)		

**NOTE:** Nothing in this document shall prohibit CSLB from requesting additional supporting experience documentation, as it deems necessary.



## AGENDA ITEM G

Adjournment





APRIL 27, 2015  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Legislative Committee Meeting







## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair's Introductory Remarks

Roll is called by the Committee Chair.

LEGISLATIVE COMMITTEE MEMBERS:

JOAN HANCOCK, CHAIR

AGUSTIN BELTRAN

LINDA CLIFFORD

PAUL SCHIFINO

NANCY SPRINGER

Committee Chair Joan Hancock will review the scheduled Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





## AGENDA ITEM C

### Review, Discussion and Possible Action Regarding Recommended Position on

- AB 500 (Waldron)
- AB 507 (Olsen)
- AB 750 (Low)
- AB 1060 (Bonilla)
- AB 1208 (Frazier)
- AB 1386 (Low)
- SB 119 (Hill)
- SB 465 (Hill)
- SB 560 (Monning)
- SB 561 (Monning)





## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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<b>Bill Number:</b>	AB 500 (Waldron)
<b>Status/Location:</b>	Amended 3/24/15 – Assembly Labor & Employment Committee 5/7/15
<b>Sponsor:</b>	Author
<b>Subject:</b>	Independent Contractors
<b>Code Section:</b>	Labor Code §30

---

### **Summary:**

Existing law establishes standards and protections for employees, and makes it unlawful for any person or employer to misclassify an individual who performs work in the capacity of an employee as an independent contractor.

### **This Bill:**

1. Provides that a private employer, including a non-profit entity, may deem a person an independent contractor for a period of no more than two years from the successful completion of a substance abuse rehabilitation program, if the person was convicted of a felony or misdemeanor for substance abuse.
2. Excludes violent felonies from its provisions.
3. Provides that it does not prohibit a private employer from employing such a person as an employee (rather than as an independent contractor).
4. Further provides that it does not prohibit a person from obtaining union membership during the term of the rehabilitation program.

### **Comments:**

Under Contractors State License Law, a license is not required of the employee of a licensed contractor. If, under the provisions of this bill, a contractor deems a person an independent contractor, that person could not work under the employee exemption and would need to become a licensed contractor. As part of the licensure process, he/she would be required to complete a criminal background check and the Contractors State License Board (CSLB) would review the prior criminal conviction(s). The independent contractor also would not be covered under the employing contractor's insurance and would need to secure his/her own workers' compensation insurance.

### **Fiscal Impact for CSLB:**

Pending.

### **Staff Recommendation and Comments:**

**WATCH.** This bill could have an impact on CSLB, but at this time it is difficult to determine. According to the author, this bill is intended to enhance employment opportunities for the previously incarcerated or substance abuse rehab graduates.

---

**Date:** April 3, 2015

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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<b>Bill Number:</b>	AB 507 (Olsen)
<b>Status/Location:</b>	Amended 3/26/15 – Assembly Appropriations Committee
<b>Sponsor:</b>	Author
<b>Subject:</b>	BreEZe System: Annual Report
<b>Code Section:</b>	Business & Professions §210.5

---

### **Summary:**

This bill requires the Department of Consumer Affairs (DCA) to annually submit a report to the Legislature and the Department of Finance that contains all of the following:

1. DCA's plan, including a timeline, for implementing BreEZe for the Phase 3 boards.
2. Total estimated costs for Phase 3 implementation, and the results of any cost-benefit analysis DCA conducted for Phase 3 implementation.
3. A description of whether or not and to what extent BreEZe will achieve any operational efficiencies.

### **Background:**

In 2009, DCA proposed the BreEZe information technology system to replace the antiquated legacy technology system used by most of DCA's boards. Intended to provide applicant tracking, licensing, renewal, enforcement monitoring, and cashiering support for all DCA boards BreEZe was scheduled to be released in three phases. In 2013, the first phase was launched for 10 boards, and the second phase, for eight additional boards, is scheduled for release in March 2016.

### **Fiscal Impact for CSLB:**

No cost to the Contractors State License Board (CSLB) for the required report, as it will be provided by DCA.

### **Staff Recommendation and Comments:**

**WATCH.** CSLB is one of the 19 regulatory entities within DCA in Phase 3 of BreEZe implementation. Once Phase 2 is implemented, DCA will develop a plan and cost-benefit analysis of migrating the remaining Phase 3 entities onto the enterprise system. CSLB has not received a time estimate from DCA on the completion of this analysis. In February 2015, the State Auditor released an audit of the BreEZe System, which found that inadequate planning and oversight led to implementation of the system at a significantly higher cost than originally estimated and to a reduced number of boards. Among the Auditor's recommendations is the type of report required by this bill.

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**Date:** April 14, 2015



## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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**Bill Number:** AB 750 (Low)  
**Status/Location:** Introduced 2/22/15  
**Sponsor:** Author  
**Subject:** Business and Professions: Licenses  
**Code Section:** Business & Professions §462

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### **Summary:**

This bill authorizes a board within the Department of Consumer Affairs to establish a retired license category.

Existing law authorizes all boards to establish an inactive license category.

This bill expands that existing authority to include a retired license category.

### **Comments:**

Contractors State License Law, under which the Contractors State License Board (CSLB) also operates, contains a provision with specific requirements for its inactive license category. In order for CSLB to create a retired license category, pursuant to this bill's authorization, it would need to adopt new regulations.

### **Fiscal Impact for CSLB:**

Pending.

### **Board Position and Comments:**

**WATCH.** This bill does not impose a new requirement on CSLB, but merely provides authority to create a retired license category. CSLB could determine whether or not to exercise this new authority.

---

**Date:** March 5, 2015

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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**Bill Number:** AB 1060 (Bonilla)  
**Status/Location:** Amended 3/26/15 – Assembly Business and Professions Committee  
**Sponsor:** Author  
**Subject:** Professions and vocations  
**Code Section:** Business & Professions §491

---

### **Summary:**

Existing law requires all boards within the Department of Consumer Affairs (DCA) to send a copy of the criteria for rehabilitation, as well as a copy of the statute that authorizes application for reinstatement, to an individual whose license has been suspended or revoked.

This bill specifies that this requirement shall be satisfied through first-class mail and electronic means, if the board has an email address on file for the ex-licensee.

### **Fiscal Impact for CSLB:**

Minor and absorbable.

### **Board Position and Comments:**

**WATCH.** This bill makes a change to the general provisions of the Business and Professions Code. The Contractors State License Board (CSLB) currently satisfies this requirement by sending the information by certified and first-class mail. CSLB does not have an email address on file for each licensee, so could not always satisfy this requirement by electronic means.

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**Date:** March 27, 2015

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

---

<b>Bill Number:</b>	SB 119 (Hill)
<b>Status/Location:</b>	Amended 4/6/15 – Senate Business, Professions and Economic Development 4/6/15; Senate Governmental Organization Committee 4//14/15; Senate Judiciary Committee TBD
<b>Sponsor:</b>	Author
<b>Subject:</b>	Protection of Subsurface Installations
<b>Code Section:</b>	Business & Professions §7110.7

---

### **Summary:**

#### Existing Law:

1. Requires that every operator of a subsurface installation (except CalTrans) become a member of, participate in, and fund a regional notification center.
2. Requires a person planning any excavation to contact the appropriate notification center before work begins.
3. Provides that a willful or deliberate violation of the regional notification system requirements by a licensee of the Contractors State License Board (CSLB) constitutes a cause for disciplinary action by CSLB.

#### This Bill:

1. Contains several findings and declarations of the Legislature regarding the need for increased communication between subsurface installation operators and excavators, and states that exemptions allowing excavation without first calling a regional notification center should not be permitted based on convenience, but only if procedures exist so that the excavation occurs without compromising safety.
2. The findings further state that the existing exemption that permits private property owners to dig on their own property without notification does not have a basis in safety.
3. Requires that CSLB adopt a program to enforce violations of the notification requirement.
4. Provides that, following an initial violation of the notification requirement, CSLB shall require contractors to undergo training related to compliance with the requirement.
5. Provides that if a contractor does not attend training within two months of being notified of the need to do so, CSLB shall, in addition, levy a fine.
6. Provides that a subsequent violation within one calendar year of the first, failure to attend training, or failure to pay fines may result in suspension of the contractor's license.

7. Requires CSLB to determine a graduated scale of fines that account for the following factors:
  - a. If the regional notification center received a timely request for locate and mark;
  - b. The gravity of the violation;
  - c. The good faith of the contractor; and
  - d. The contractor's history of previous violations.
8. Makes various revisions to the Regional Notification Center System, including the definitions of relevant terms.
9. Deletes Caltrans' exemption from the notification system requirements.
10. Provides that an excavator who damages a subsurface installation because of inaccurate marking shall not be liable for damages.
11. Limits the existing exemption for property owners to, instead, provide the exemption only when the work does not require a permit, the property has no easement or right of way, and the work involves only non-mechanized hand tools.
12. Revises the existing definition of "excavation" to include penetration of the air and the existing surface of the ground or pavement.
13. Requires the Occupational Safety and Health Standards Board to revise its regulations to clarify best practices by excavators.
14. Creates the California Underground Facilities Safe Excavation Authority (Authority).
15. Provides that the Authority shall have nine members, including two excavators.

April 6, 2015, Amendments:

These amendments make a variety of changes to the bill, but no changes to the section affecting CSLB.

**Fiscal Impact for CSLB:**

The current language of the bill does not specify who would develop or provide the required training. CSLB would incur significant costs if mandated to develop and provide the training. Initial costs to CSLB would be approximately \$116,000, and ongoing costs of approximately \$90,000 per year.

**Board Position and Comments:**

**WATCH.** The author has worked on this issue for the last few years, and in that time different members of the Legislature have introduced a number of bills. Overall, CSLB already fulfills the requirements of this bill. CSLB has an existing program to enforce violations of the dig alert requirements, currently handled under Business and Professions Code section 7110, which provides that a willful or deliberate violation of the excavation requirements constitutes a cause for disciplinary action. Currently, CSLB does not necessarily recommend training when it issues a citation for a violation of the dig alert requirement and suggests, instead, that first-time violators be referred to an existing, third-party training rather than have CSLB develop its own training program. CSLB also would prefer that violators have 30 days, rather than two months, to comply and to specify that, for the purposes of these provisions, "excavator" has the same

definition as “contractor,” to make it clear that CSLB can only take action against licensed contractors.

The author’s office has conducted a series of stakeholder meetings on this issue, which continue. CSLB has participated, along with numerous contractor groups, utilities, and other interested parties and significant amendments are anticipated as a result of these meetings. The author’s office expects to have a framework of the enforcement piece of the bill by mid-May, which will include language that impacts CSLB.

Excavation work is regulated by CSLB’s existing C-12 Earthwork and Paving classification, and excavation safety and regional notification requirements are covered on all relevant CSLB licensing examinations (27 of the 45 exams), including the Law and Business examination.

Suggested Amendments:

SEC. 2. Section 7110.7 is added to the Business and Professions Code, to read:

7110.7. (a) The Contractors', State License Board shall adopt a program to enforce violations of paragraph (4 2) of subdivision (a) of Section 4216.2 of the Government Code.

(b) The Contractors' State License Board ~~shall~~ may require contractors to undergo training relating to compliance with paragraph (42) of subdivision (a) of Section 4216.2(a) of the Government Code, provided by a third party, as determined by the board, for an initial violation.

(c) If the contractor does not attend training within ~~two months~~ 30 days of being notified of the requirement to do so, or fails to provide a reasonable explanation for his or her delay in scheduling that training in writing, the board shall, in addition, levy a fine.

(d) A subsequent violation within one calendar year of the first violation, failure to attend training, or failure to pay fines ultimately may result in suspension of the contractor's license.

(e) The board shall assess a fine for a violation of these provisions in accordance with the range of penalties provided for in Section 7099.2 and Title Section, Division 8, Section 884 of the California Code of Regulations. The Board shall also take into consideration ~~determine~~ a graduated scale of fines considering the following factors:

(1) Whether the regional notification center received a timely request for locate and mark.

(2) The gravity of the violation.

(3) The good faith of the contractor.

(4) The contractor's history of previous violations.

(f) For purposes of this section, “excavator” has the same definition as “contractor” in Section 7026.

Legislative History:

AB 811 (Lowenthal, Chapter 250, Statutes of 2013) required that regional notification centers compile an annual report. When introduced, the bill would have required licensed contractors to pass an additional certification exam in order to legally perform excavations, though those provisions were amended out of the bill.

AB 1514 (Lowenthal, 2012) would have increased the penalties for a violation of the notification requirements.

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**Date:** April 3, 2015

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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<b>Bill Number:</b>	SB 465 (Hill)
<b>Status/Location:</b>	Introduced – Senate Business, Professions and Economic Development Committee
<b>Sponsor:</b>	Author
<b>Subject:</b>	Contractors State License Board
<b>Code Section:</b>	Business & Professions §7000.5 and §7011

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### **Summary:**

This bill extends the sunset date for the Contractors State License Board (CSLB) and authorizes the appointment of a Registrar from January 1, 2016 to January 1, 2020.

### **Comments:**

CSLB is responsible for the implementation and enforcement of the Contractors State License Law -- the laws and regulations related to the licensure, practice, and discipline of the construction industry in California. All businesses and individuals who construct or alter, or offer to construct or alter, any building, highway, road, parking facility, railroad, excavation, or other structure in California must be licensed by CSLB if the total cost (labor and materials) of one or more contracts on the project is \$500 or greater.

CSLB licenses approximately 290,000 contractors in 44 license classifications and two certifications. CSLB issues some 17,000 licenses each year, and more than 120,000 licenses are renewed each year. A license may be issued to an individual, partnership, corporation, limited liability company, or joint venture. All licenses must have a qualifying individual (also referred to as “qualifier”), who is the person listed on CSLB records who satisfies the experience and examination requirements for a license. The Board also registers some 9,800 home improvement salespersons who sell home improvement goods and services.

On March 18, 2015, the Assembly Business and Professions and Senate Business, Professions and Economic Development Committees conducted an oversight hearing related to CSLB.

### **Fiscal Impact for CSLB:**

No additional costs, as the bill continues the program as is.

### **Board Position and Comments:**

**SUPPORT.** Amendments may be made after the conclusion of the Legislature’s program review.

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**Date:** April 6, 2015

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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**Bill Number:** SB 560 (Monning)  
**Status/Location:** Amended 4/6/15 – Senate Business, Professions and Economic Development Committee 4/13/15  
**Sponsor:** Contractors State License Board  
**Subject:** Notice to Appear Authority  
**Code Section:** Business & Professions §7011.4

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### **Summary:**

This bill expands the authority of Contractors State License Board (CSLB) Enforcement Representatives (ERs) to issue to an unlicensed contractor a written notice to appear (NTA) in superior court for failure to secure workers' compensation (WC) insurance.

Existing law authorizes ERs to issue a written notice to appear to individuals for contracting without a license.

This bill will allow ERs to also issue an NTA for failure to carry WC insurance.

### **Comments:**

Business & Professions (B&P) Code section 7011.4 establishes a separate enforcement division (Statewide Investigative Fraud Team - SWIFT), which shall rigorously enforce laws prohibiting all forms of unlicensed activity. CSLB ERs assigned to SWIFT investigate active construction sites for license and workers' compensation insurance compliance and conduct undercover sting operations targeting unlicensed and uninsured contractors.

Pursuant to B&P Code section 7028(a) it is a misdemeanor for a person to engage in the business or act in the capacity of a contractor without a license.

Further, Labor Code section 3700.5 (a) states that the failure to secure the payment of compensation by one who knew or, because of his or her knowledge or experience, is reasonably expected to have known of the obligation to secure this payment of compensation, is a misdemeanor and punishable by county jail, or a fine, or both.

B&P Code section 7011.4 provides authority for non-sworn ERs to issue an NTA for unlicensed practice, but not for failure to secure workers' compensation insurance. An NTA is an order by the court mandating an individual's presence at a hearing, on a specified date, to answer to wrongdoings of misdemeanor crimes.

### **Fiscal Impact for CSLB:**

Absorbable.



**Board Position and Comments:**

**SPONSOR/SUPPORT.** The Board approved this legislative proposal at the December 2014, meeting. The ability to include the workers' compensation violation on the NTA could streamline the district attorney (DA) referral process. CSLB estimates that 20 percent of the NTAs issued for unlicensed practice will include this violation as well.

The amendments the Board adopted at the March 2015, meeting were incorporated into the most recent version of the bill.

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**Date:** April 3, 2015

## CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

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**Bill Number:** SB 561 (Monning)  
**Status/Location:** Introduced 2/26/15 – Senate Business, Professions and Economic Development Committee 4/13/15  
**Sponsor:** Contractors State License Board (CSLB)  
**Subject:** Home Improvement Salesperson Registration  
**Code Section:** Business & Professions 7152, 7153, 7153.2, 7153.3, 7154, 7155.5, and 7156

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### **Summary:**

This bill would eliminate the requirement that a Home Improvement Salesperson (HIS) separately register to work for each contractor and, instead, allow a properly registered HIS to utilize his or her individual registration with one or more licensed contractors.

At its March 2015, meeting the Board approved language to allow acceptance of electronic signatures. These amendments will be added to the bill later in the legislative process. The California Solar Energy Industries Association asked for two additional changes, and staff is working with legal counsel and the Association on language related to 1) amending the language to make it clear that a HIS can register prior to affiliating with a contractor, but must be employed by a contractor to actually work as a HIS; and 2) amending the language that requires a contractor to notify CSLB of the pending employment of a HIS to delete the word “pending.” The bill would still mandate that the contractor must notify CSLB prior to the HIS beginning work for the contractor.

### Existing Law:

1. Provides for the registration and regulation of home improvement salespersons by CSLB.
2. Makes it a crime for any person to engage in the occupation of home improvement salesperson for one or more home improvement contractors without a separate registration for each of the home improvement contractors by whom he or she is employed.

### This Bill:

1. Makes several changes to the HIS statutory provisions.
2. Requires a HIS to have a current and valid registration prior to entering into a sales transaction.
3. Provides that a HIS registration shall expire two years from the last day of the month in which the registration was issued.
4. Provides that the delinquency fee for renewing an expired registration shall be 50 percent of the renewal fee.

5. Requires a licensed home improvement contractor to notify the registrar about the pending employment of a registered home improvement salesperson in writing and on a form prescribed by the registrar.
6. Provides that a home improvement contractor who fails to report employment of a HIS is subject to disciplinary action.

Background:

The California Solar Energy Industries Association sent a letter to Governor Brown last fall (which was forwarded to CSLB for response), regarding the HIS registration program and concerns about the impact on the industry of the four-to-five week processing time for new registrations. In FY 2013-14, CSLB received about 800 HIS applications per month, a 40 percent increase over the prior three years. Since then, the number of applications received each month has continued to grow, though the number of staff for processing did not, leading to increased processing times. At the time staff received the letter, CSLB was already reviewing the HIS program because of its awareness of the longer processing times. Among the Association's recommendations was to allow a registered HIS to work for multiple contractors. After review, CSLB endorsed the idea and proceeded with that proposal.

**Fiscal Impact for CSLB:**

Pending.

**Board Position and Comments:**

**SPONSOR/SUPPORT.** The change proposed by this bill will improve the current registration process and provide increased flexibility for HIS registrants.

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**Date:** April 3, 2015



## AGENDA ITEM D

# Review and Discussion Regarding Legislative Proposal to Authorize Sharing of Licensee Information with the Employment Development Department





## **CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM**

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**SUBJECT:** Sharing Licensee's Social Security Numbers with the Employment Development Department

**IDENTIFICATION OF PROBLEM/SUMMARY:**

The Department of Consumer Affairs recently informed the Contractors State License Board (CSLB) that though it has clear statutory authority to share licensee Social Security numbers with the Franchise Tax Board (Business and Professions Code §30 (2)(d)(3)), it does not have authority to share them with the Employment Development Department (EDD). Sharing this information constitutes a critical part of CSLB's enforcement program. This proposal would authorize CSLB to share Social Security numbers (SSN) with the Employment Development Department.

The Contractors State License Board partners with other state agencies to identify and address contractors that fail to withhold payroll taxes from employees, provide workers' compensation insurance, or comply with license requirements. Specifically, CSLB partners with EDD to enforce tax withholding requirements and to identify enforcement targets. As part of this partnership, EDD depends on access to information in the CSLB database of 285,000 licensees, which uses SSNs as an identifier, to correlate with their own tax registrant data as well as with that in the State Compensation Insurance Fund. Collectively, this shared information allows CSLB and EDD to determine whether or not a licensee is compliant with tax, insurance, and licensing laws and regulations. Eighty percent of the contractors identified through this process for a construction site inspection have been found to have a significant violation. In 2014, CSLB and EDD conducted over 534 joint inspections, an effort that identified more than \$171 million in unreported wages and resulted in the collection of over \$20 million in unpaid taxes to the State of California.

**STATUS:**

The Department of Consumer Affairs is working with the Employment Development Department on a comprehensive solution that would encompass all of the Department's boards.





## AGENDA ITEM E

# Review, Discussion and Possible Action Regarding 2015–16 Legislative Strategic Plan Objectives







# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN – 2015-16 UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

LEGISLATIVE OBJECTIVES	TARGET	DESCRIPTION	YES/NO
1. Seek Legislation to Authorize Sharing of Licensee Information with the Employment Development Department (E)	July 2015	To address new issue raised by the Department of Consumer Affairs.	
2. Prepare Legislative Proposal to Eliminate Capital Requirement for Licensure and Increase Contractor's Bond by Corresponding Amount (B)	September 2015	To address new issue raised by the Board in the Sunset Review Report.	
3. Prepare Draft Proposal to Contractors State License Law (I)	December 2015	To make the law easier to follow.	
4. Prepare Legislative Proposal to Provide for Comprehensive Rewrite of the Home Improvement Contractor Provisions	December 2015	To address new issue raised by the Board in the Sunset Review Report.	
5. Seek Amendments to Arbitration Program Statutory Provisions (I)	December 2015	To address the awarding of attorney's fees as a result of participation in arbitration program.	

### Other Possible Objectives

LEGISLATIVE OBJECTIVES	DESCRIPTION	YES/NO
1.		
2.		
3.		



## AGENDA ITEM F

Adjournment





APRIL 27, 2015  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

# Enforcement Committee Meeting







## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair's Introductory Remarks

Roll is called by the Committee Chair.

ENFORCEMENT COMMITTEE MEMBERS:

BOB LAMB, CHAIR

KEVIN J. ALBANESE

PASTOR HERRERA JR.

FRANK SCHETTER

JOHNNY SIMPSON

Committee Chair Bob Lamb will review the scheduled  
Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





## AGENDA ITEM C

# Enforcement Program Update







## **INTAKE MEDIATION CENTERS (IMC)**

### **CSR Settles \$2.2 Million Contract Dispute between Licensees**

A complainant was subcontracted to perform high-voltage tie-in services to the switchyard and substations of a new Kern County solar power plant capable of powering 6,000 homes. The work was completed in December 2014, but the complainant, a licensed electrical contractor, reached out to the Board at the end of January when payment was not received. Staff contacted the parties and negotiations began in February 2015. The complainant agreed to withdraw the action with CSLB upon settlement of the dispute. Last month CSLB confirmed that the parties have approved a settlement agreement for the full contract amount of \$2.2 million, and the matter is now considered resolved.

### **Elderly Homeowner Receives \$12,000 in Restitution on Solar Panels with CSLB's Help**

A 70-year-old Southern California homeowner contracted to have eight solar panels installed on her home for \$20,000. However, the contractor did not install the proper number of panels to effectively reduce her utility bills, which she said remained \$100 per month with the panels installed. When she discussed the issue with the contractor, he told her that she needed an additional eight panels at a cost of \$12,000. The homeowner became upset, believing she had been taken advantage of and misled. In March 2015, after assistance from a Norwalk CSR, the contractor resolved the complaint by installing the additional eight panels at no cost, a \$12,000 value to the homeowner.

### **\$69,000 Returned to Northern CA with Help from CSLB**

A Northern California consumer entered into an \$80,000 contract for a residential remodel. After extensive demolition work, a disagreement arose over a \$31,000 change order presented to the homeowner following a termite report and discovery of asbestos, lead, and mold. The contractor acted appropriately and presented the change order prior to performing the work. As a result, the consumer opted to have the change order work, as well as the balance of the contract, finished by another contractor. During mediation with a Sacramento CSR, the contractor agreed to refund the consumer \$14,000 and release him from the \$55,000 balance of the contract, for a total savings to the consumer of \$69,000.

## **INVESTIGATIVE CENTERS HIGHLIGHTS**

### **Letter of Appreciation from a Grateful Homeowner**

Enforcement Representative Oather "JR" McClung received a letter of appreciation dated March 7, 2015, from a homeowner acknowledging his efforts to rectify a difficult situation with a roofing company. The homeowner wrote, "Against what seemed to be insurmountable odds, Mr. McClung was able to achieve a substantial reimbursement from my former roofing contractor." The homeowner was "thrilled" and "surprised" to receive not only full reimbursement from a roofing contractor, but also compensation for consequential damage that had resulted in additional expenses. The contractor received a citation, paid the civil penalty, and complied with the order of correction.

**Elder Abuse Investigation Results in Felony Arrest**

An 88-year-old Sunnyvale widow needed repairs to the sewer line under her home and responded to an advertisement by Frank Guidera in the Valley Yellow Pages. In December 2013, Guidera and his girlfriend, Jill Epperson, entered into the first of several consecutive oral agreements with the homeowner that included miscellaneous repairs and remodeling work unrelated to the sewer line replacement. They confused the elderly homeowner about the progression of work and often demanded immediate advance payments. Also, the homeowner received and paid invoices for work that was not performed. A bathroom was left gutted and rendered inoperable when work ceased. At that point, she had paid a total of \$17,437. The homeowner's daughter and family friends completed the bathroom at a cost of \$5,500, with contractors donating an additional \$10,000 in labor.

The investigation was conducted by Enforcement staff, who submitted a referral to the Santa Clara County District Attorney requesting prosecution against both Guidera and Epperson for conspiracy, advertising without a valid license, fraudulent use of a license, contracting without a license, financial elder abuse, theft by diversion of construction funds, and grand theft. The criminal complaint was filed on February 2, 2015, and a \$30,000 felony warrant was issued for both Frank Guidera and Jill Epperson.

On March 24, 2015, in coordination with Enforcement staff, the Sunnyvale Police Department dispatched multiple officers to another home in Sunnyvale where Guidera was working and took him into custody (Epperson remains at large). At the home where Guidera was apprehended, he was found to be victimizing the 78-year-old homeowners, who also had contacted him through his ad in the Valley Yellow Pages to clear a clogged sewer line. He convinced them that the sewer line needed to be replaced and later persuaded them to have remodeling work done; they paid him \$20,000 in cash. The Santa Clara County Deputy District Attorney handling the criminal case may add new charges against Guidera for the second victim, including failure to secure workers' compensation insurance.

**Unlicensed "Power Washer" Subject to Criminal Charges**

For the past few years, unlicensed power washing contractor William ("Bill") Lee Pettijohn has preyed on several wealthy communities in the San Diego area and targeted the elderly using the name AquaPro Professional Powerwashing, Inc. (a licensed company with which he is not affiliated). Pettijohn negotiates the contracts using high-pressure sales tactics and misleading statements to get homeowners to buy his services, which include spray-washing roofs, stucco, and hardscape, which ultimately causes water leaks and damages roof tiles.

Pettijohn has received prior administrative citations for unlicensed contracting (2009 and 2013) and being an unlicensed home improvement salesperson (2013). Staff recently completed four investigations resulting in the filing of criminal charges by the San Diego District Attorney for unlicensed contracting, using a license of another to gain construction contracts, theft by false pretenses, failure to secure workers' compensation insurance, and elder abuse.



**Contractor Pays Restitution after Filing Bankruptcy**

In November 2013, a San Bernardino County resident contracted with a licensed general contractor for \$132,850 to remodel their mountain home, work that included demolishing and rebuilding a deck, and constructing a two-room addition. As part of the agreement, the contractor was required to provide engineering plans, which were to be approved by the county, including all related permits and fees. The contractor demanded, and accepted, an excessive deposit of \$19,927, and guaranteed completion of the project by February 2014.

Months passed, and the consumer began to question the contractor regarding the reason for the delay, which had now surpassed the promised completion date. The contractor blamed the delays on the building department. However, the consumer visited the building department in March 2014 and discovered that the contractor had only submitted the plans the prior week. The consumer urged the contractor to take the necessary steps to obtain approved plans and permit approval. When the contractor failed to perform, the consumer sought the advice of legal counsel, who sent a demand letter. Again, the contractor failed to secure building department approval, which prompted the consumer to demand a refund of money paid and permission to hire another contractor to complete the project for \$144,000.

The contractor did not resolve the matter, resulting in a consumer complaint with CSLB. The Enforcement Representative interviewed the contractor, who disclosed that he had filed for bankruptcy and performed work on the home valued at less than \$5,000. Facing potential legal action against his license for an excessive down payment, lack of diligence in performing work, and abandonment, the contractor elected to borrow \$20,000 from a family member to resolve the matter. The funds were wire transferred into the consumer's bank account. The grateful consumer contacted staff to express appreciation and to request that the complaint be closed. CSLB sent a written warning letter to the contractor.

**PUBLIC WORKS UNIT UPDATE**

More than 7,000 public works contracts are executed in California each year. There is an expectation that the contractors who are awarded these contracts are good stewards of public funds. This responsibility includes, among other things, that the workers performing the trades will receive the prevailing wage. In 2010, CSLB established a Public Works Unit that has continued to evolve. In the last four years, this unit has developed very close working relationships with the following labor-compliance associations:

- Center for Contract Compliance
- Work Preservation Fund
- Masonry Labor Management Cooperation Committee
- Foundation for Fair Contracting
- International Brotherhood of Electrical Workers
- Sheet Metal Workers Union
- Operating Engineers Local No. 3



Examples of the Public Works Unit's success include the following:

- In 2013, Tanko Streetlighting, Inc. contracted with Napa, Rancho Cordova, Hayward, Oakland, Hollywood, and various other cities to change-out their streetlights for energy efficient systems. Tanko Streetlighting, Inc. did not have a California contractor's license as required by Business and Professions Code section 7028.7. CSLB issued a citation for \$10,000, which Tanko paid; Tanko subsequently became licensed.
- In 2014, CSLB initiated a complaint against licensee C. E. Harris Incorporated, dba Harris Electric, for violation of Business and Professions Code sections 7110 (labor law violation) and 7116 (fraudulent acts, including public works wage fraud, grand theft, and offering false or forged instruments). Harris had been involved in public works projects in which he took money from his employees, received kickbacks, and falsified payroll records. A total of 57 felony counts were included in his arraignment documents, with bail set at \$500,000. As part of his plea, Harris will not be allowed to work on public works projects for his five-year probationary period, and, to avoid six months in jail, he must pay approximately \$360,000 in restitution prior to his May 7, 2015, sentencing date. Subsequent to sentencing, CSLB will seek license revocation.

Going forward, staff is looking to work more closely with the Labor Commissioner's office to address the more than 400 civil wage and penalty assessments (CWPA) issued each year against employers for failing to pay their workers for monies due. Strategies the Enforcement division will pursue include the following:

### **1. Suspend Licenses Pursuant to Business and Professions Code section 7145.5 for Outstanding CWPAs**

*Failure to resolve outstanding liabilities as grounds for refusal to renew a license.* Staff believes that CSLB has the authority, under B&P Code section 7145.5, to suspend licenses for failure to comply with a CWPA. If so, the licensing suspension program will serve as a viable avenue to suspend licenses for unresolved CWPAs and to provide public disclosure of the reasons for this action. CSLB does not have the ability to suspend licenses if the contractor discharges the debt in bankruptcy. Enforcement staff will meet with Licensing division management to discuss this option further.

### **2. Amend the Application for Licensure to Require Disclosure of Outstanding Labor and/or Tax Liability**

Currently, applicants for a contractor's license are only required to disclose an outstanding construction-related liability that has become an official judgment. Staff will consult with Legal Counsel to determine if B&P Code section 7145.5 provides authority for the Registrar to disclose an assessed labor liability, such as a CWPA, that is not an official judgment.



### **3. Revise the Existing Memorandum of Understanding (MOU) with Department of Labor Standards Enforcement**

CSLB will request to meet with Labor Commissioner staff to revise the existing MOU to provide for the early identification of contractors engaged in egregious prevailing wage violations that warrant formal CSLB disciplinary action. Such a revision will allow CSLB to take timely action against egregious offenders when they have failed to provide certified payroll records as required, and/or issued fraudulent checks to employees.

### **4. Monitor Two “Test” Accusations**

Deputy Attorney General Rosie Perez has agreed to take two appealed prevailing wage accusations to hearing. Staff anticipates that the resulting Administrative Law Decision will assist in determining the need for future legislation. The two test cases are:

- a. Williams Masonry – Williams Masonry was a subcontractor to prime contractor Devcon. Williams failed to pay employees prevailing wage, which resulted in a civil wage and penalty assessment. Per standard procedure, Devcon was found to be jointly and severely liable for the CWPA and paid the \$34,550.42 assessment when Williams defaulted. Consequently, CSLB is alleging that Williams Masonry violated B&P §7113 by failing to complete their contract with Devcon for the agreed upon contract price.
- b. Precision Tile & Granite – Charged with violating B&P §7116 (willful or fraudulent act injuring another) and Labor Code 1776 (failure to keep accurate payroll records under penalty of perjury) for submitting fraudulent Certified Payroll Records and issuing fraudulent duplicate checks to employees in order to evade paying the prevailing wages as set forth by the City of San Jose.

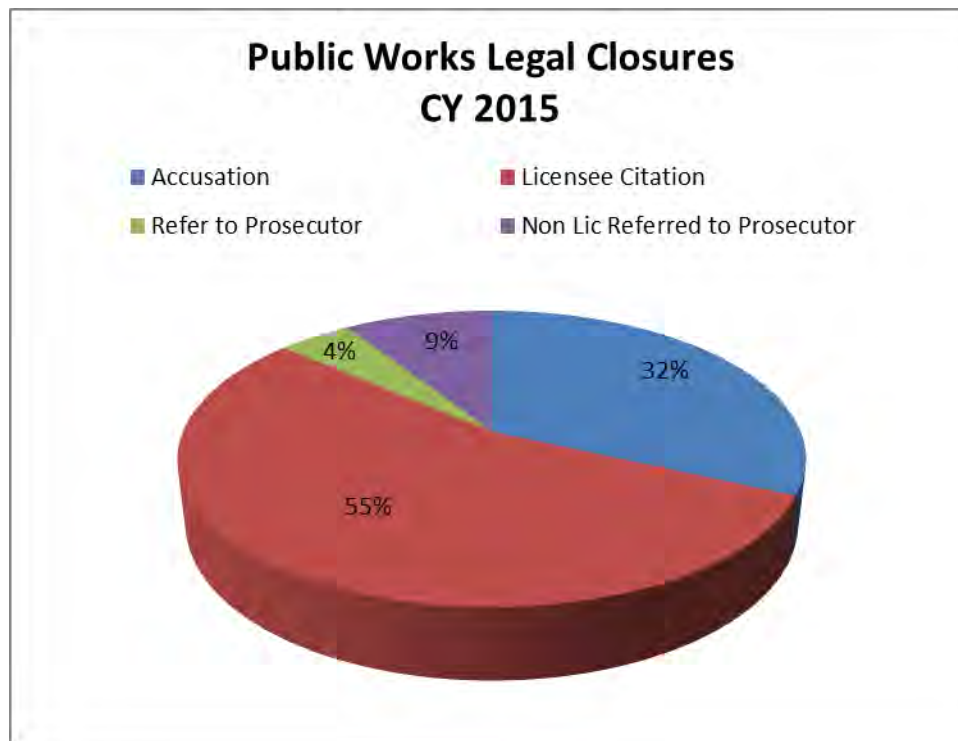
### **2014 Statistics**

The Public Works Unit closed 239 complaints in 2014 – a 68 percent increase over 2013 – with 94 complaints referred for administrative disciplinary action and four referred to prosecutors for criminal charges.



### 2015 Statistics

The PWU is off to a strong start in 2015, closing 44 complaints between January and March, with 22 complaints, or 50 percent, referred to disciplinary action. A breakdown of the legal actions is demonstrated by the following chart:



### STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)

#### Tackling Contracting and Labor Violations Statewide Results in \$70,000 in Civil Penalties

The week of March 2, 2015, staff conducted multiple Joint Enforcement Strike Force (JESF) and Labor Enforcement Task Force (LETf) compliance sweeps in Sonoma, Fresno, San Bernardino, Kern, and Orange counties. Partnering agencies included Employment Development Department (EDD), Department of Labor Standards and Enforcement (DLSE), Division of Occupational Safety and Health (DOSH), and varying district attorneys' offices by county. The week ended well, with the operations netting multiple citations for unlicensed contracting, orders to stop work, and referrals of licensees to legal action. Task force partners issued over \$70,000 in fines for failure to secure workers' compensation and employment of workers without a valid contractor's license.

**85 Unlicensed Contractors Face Criminal Charges Following Statewide Blitz**

SWIFT conducted seven undercover sting operations on March 10 and 11, 2015, five of which extended over two days. Partnering agencies involved in the blitz included district attorneys, police, sheriffs, the California Highway Patrol, and the Department of Insurance. Of the 85 suspects cited, 12 were repeat offenders, one was a revoked licensee, and five had serious criminal backgrounds. Three suspects provided information about other contractors that may lead to additional citations. One highlight includes the Gardena sting, where SWIFT partnered with Investigative Center staff:

On March 10, 2015, Enforcement staff, under the ruse of obtaining an estimate for a room addition, invited unlicensed contractor Jose C. Leon to a SWIFT sting in Gardena. Staff had filed three criminal complaints against Leon with the L.A. County District Attorney for contracting without a license, and three counts of misrepresenting a license. As a result of these filings, a felony warrant was issued against Leon for \$120,000.

Leon wasn't new to CSLB, as he had been issued a Notice to Appear (NTA) for a sting in 2013. The NTA was for contracting and advertising without a license. Since that time, Leon had been invited to multiple stings but did not appear. This time, staff followed Leon from his residence to a local Home Depot. While there, staff approached Leon and engaged in small talk. By the end of the conversation, both had exchanged contact numbers and Leon agreed to come to the sting house in Gardena. He was the first suspect of the day, was taken into custody by California Department of Insurance investigators, and transported to L.A. County Men's Central Jail.

**Peace Officer Investigation Results in 12-Year Prison Sentence**

Unlicensed contractor Patrick R. Murphy added unnecessary work to home improvement contracts for senior citizens in Sacramento County and charged substantially more than the work warranted. Murphy also charged several victims twice for the same work and borrowed money from customers that he never repaid. An elder abuse investigation





conducted by a CSLB Peace Officer resulted in a 12-year prison sentence against Murphy. He entered a no-contest plea to four counts of elder financial abuse and an enhancement for fraud resulting in a loss of more than \$500,000.

### **California's Labor Enforcement Task Force (LETF) Reports 2014 Success to Legislature**

CSLB continued to partner with the Department of Industrial Relations (DIR) and other state agencies within LETF, which is tasked with ensuring efficacy, resource maximization, and the avoidance of overlap in agency enforcement. Targeted inspections are the most effective approach to meet these central objectives. To accurately target noncompliant employers, DIR continually refines its methods, which are both data-driven (proactive) and complaint-driven (responsive). As evidence of the effectiveness of targeting efforts to date, over 40 percent of businesses inspected are found to be out of compliance with all inspecting agencies. Furthermore, instances of noncompliance were consistently high across results reported for all three years since its inception, ranging from 63 percent to 94 percent and demonstrating the efficacy of joint inspections.

LETF reported that since 2012, teams have “assessed \$4.2 million in wages due workers” after inspections of nearly 4,300 businesses in multiple industries. Of these businesses, 1,600 were construction-related, and nearly 40 percent were found to be out of compliance, which resulted in the assessment of \$1.2 million in civil penalties.

### **CSLB Results Achieved the Following on LETF Sweeps**

	<b>2013</b>	<b>2014</b>	<b>Total</b>
Businesses Inspected	583	410	993
% Businesses Out of Compliance	36%	30%	33%
Civil Penalties Assessed	\$438,650	\$412,000	\$850,650

### **GENERAL COMPLAINT-HANDLING STATISTICS (FY 2014-15)**

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 3,220. As of April 2015, the pending case load was 3,447.

To ensure timely mediation and screening of complaints, the optimal case load for Consumer Service Representatives (CSR) is 1,400. As of April 2015, 1,351 complaints were assigned to CSRs.

To ensure timely handling of complaints that warrant formal investigation, the optimal working case load for Enforcement Representatives (ER) assigned to the Board's nine



investigative centers (IC) is 35 cases per ER. CSLB has 52 IC ERs; therefore, the nine ICs have an optimal capacity for 1,820 open complaints.

As of April 2015, the ICs had a total of 2,096 complaints open and under investigation. The 276 excessive cases are assigned to ERs in the Norwalk and San Francisco ICs. The filling of vacant positions and monitoring of complaint referrals from the Investigation and Mediation Centers (IMC) will reduce the number of cases in these two ICs. The following chart outlines how CSLB determines manageable caseloads:

<b>Job Classification</b>	<b>Current Number of Staff</b>	<b>Closure Goal per Month</b>	<b>Preferred Cycle Time (months)</b>	<b>Maximum Case load per ER/CSR</b>	<b>Maximum Number of Cases per Classification</b>
<b>ERs</b>	52	10	4	<b>35</b>	1,820
<b>CSRs</b>	28	20	2	<b>50</b>	1,400
<b>TOTAL</b>					<b>3,220</b>

### **Restitution to Financially Injured Persons**

Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. For the first eight months of fiscal year 2014-15 (July through February 2015), Enforcement staff's settlement efforts have resulted in more than \$8 million in restitution to financially injured parties.

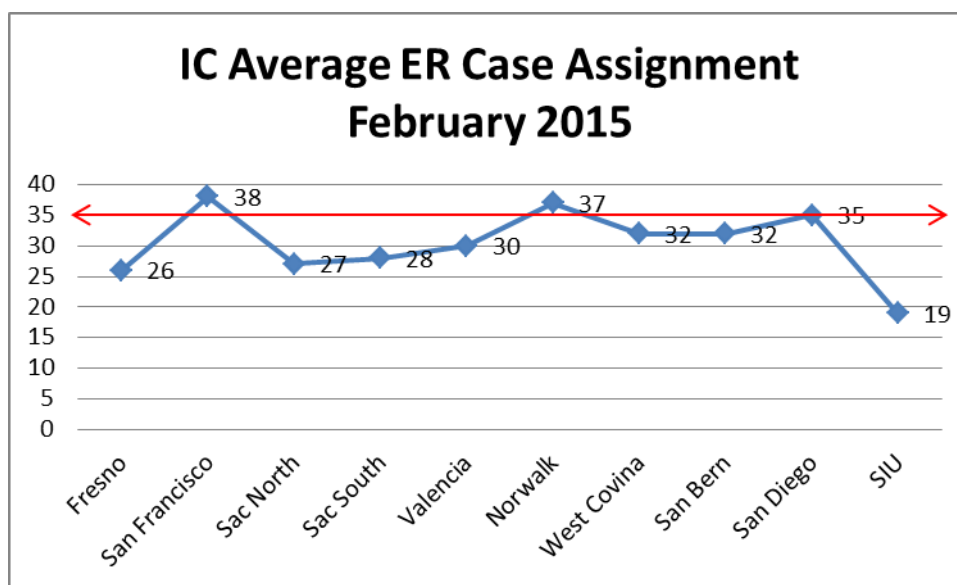
- ICs Financial Settlement Amount (FY 2014-15): \$3,134,283.47
- IMCS Financial Settlement Amount (FY 2014-15): \$5,452,766.48



## Investigation of Consumer Complaints

To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending case loads, and investigation-closing disposition. To date, for fiscal year 2014-15 (July through February), Investigative Center (IC) ERs have consistently achieved the Board's goal of 10 complaint closures per month, and effective case distribution among the nine investigative centers has resulted in a manageable, ongoing case load of approximately 30 cases per ER. Of the 1,299 legal actions during this time, 29 percent were referred to local prosecutors.

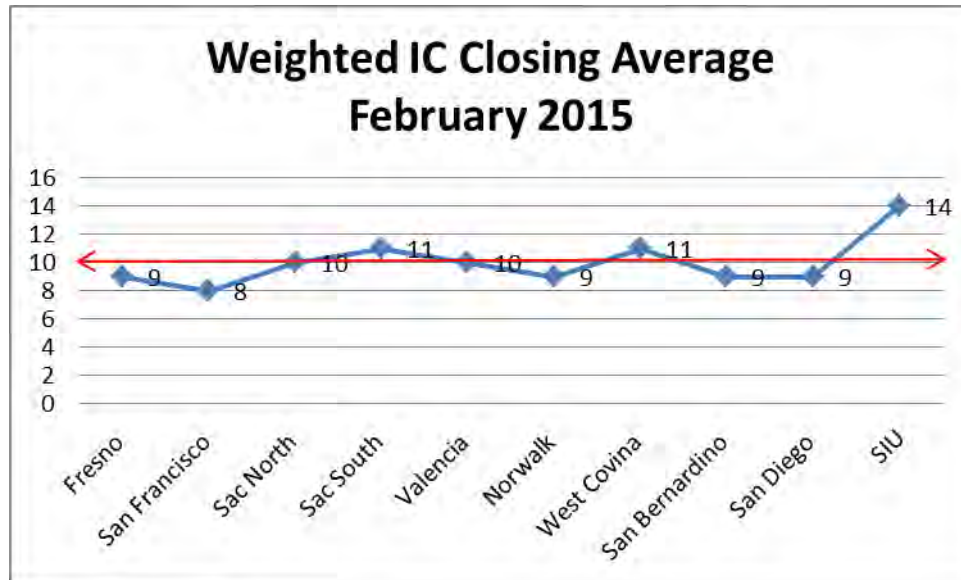
The following chart tracks open IC investigations. The goal is for each IC ER to carry between 30 and 40 pending cases. At the end of February 2015, the statewide average was 30 cases.



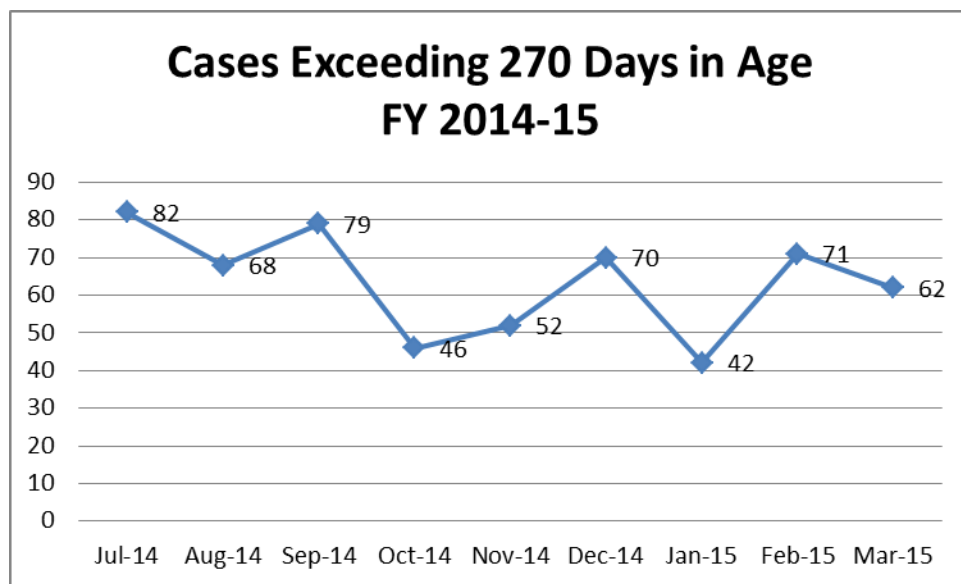




The following chart tracks the Board's target of each IC ER maintaining a weighted monthly closing average of 10.



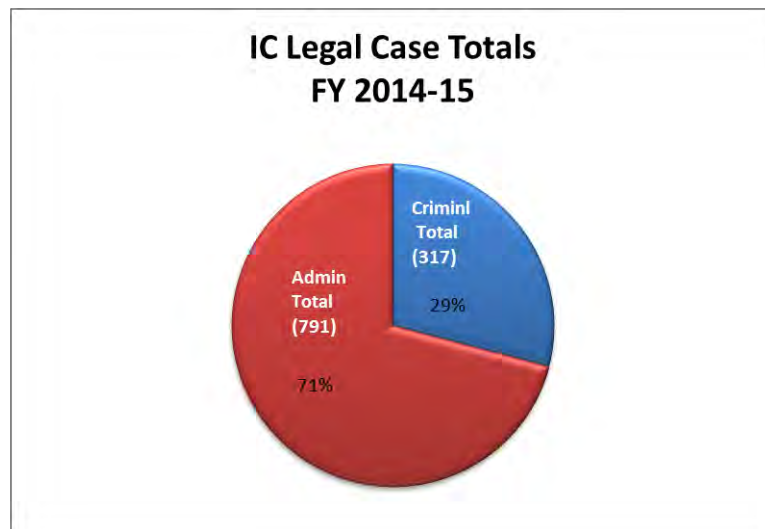
Historically, Enforcement has more than 3,000 consumer complaints under investigation at any given time. The Board's goal is to appropriately disposition all but 100 within 270 days of receipt. Staff's effective management of pending complaints has resulted in consistently meeting this goal. At the beginning of March 2015, there were only 62 cases exceeding 270 days in age.





The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action.

For the first eight months of fiscal year 2014-15, Enforcement has referred an impressive **29 percent**, or 317 investigations, to District Attorneys for criminal prosecution.

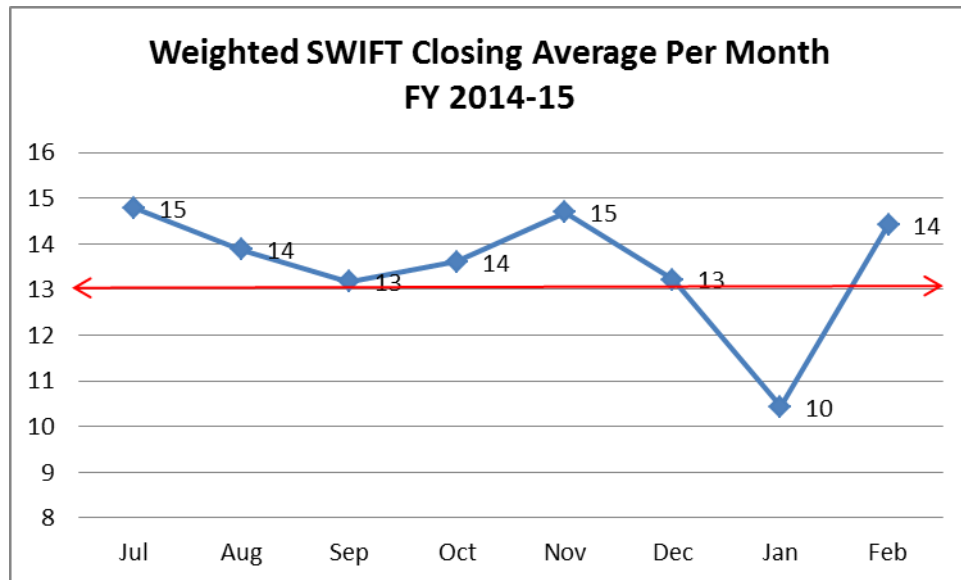


### **Proactive Enforcement at Active Construction Sites**

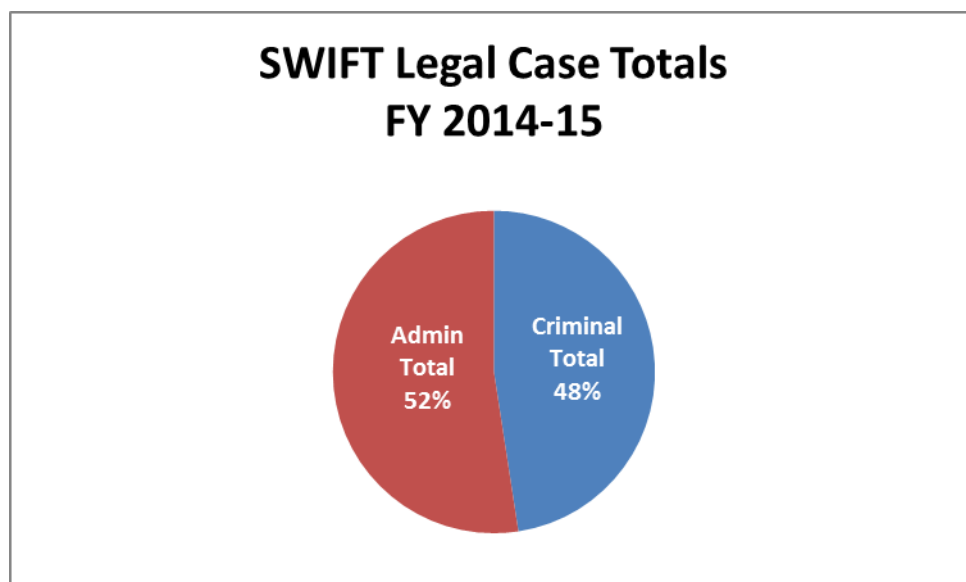
CSLB has established a Statewide Investigative Fraud Team (SWIFT) comprised of approximately 30 non-sworn Enforcement Representatives (ERs). SWIFT primarily enforces license and workers' compensation insurance requirements at active job sites and performs undercover sting operations, targeting unlicensed persons who have active warrants or who solicit construction contracts. To date, for fiscal year 2014-15 (July through February), SWIFT ERs have consistently exceeded the Board's goal of performing more than 13 proactive investigations per month, with 48 percent of these investigations resulting in a legal action. Of the 1,028 legal actions during this time, 489 were referred to local prosecutors.



The following chart depicts the weighted monthly SWIFT closing average:



The following chart depicts the number of proactive SWIFT investigations that resulted in an administrative or criminal legal action. For the first eight months of the fiscal year 2014-15, SWIFT has referred an impressive 48 percent, or 489 investigations, to District Attorneys for criminal prosecution:



**CASE MANAGEMENT FY 2014-15 (JULY 2014 – FEBRUARY 2015)**

<b>CITATIONS ISSUED</b>		
	<b>Licensee</b>	<b>Non-Licensee</b>
<b>Citations Issued</b>	855	536
<b>Citations Appealed</b>	406	223
<b>Citation Compliance</b>	654	247
<b>MANDATORY SETTLEMENT CONFERENCES</b>		
<b>Scheduled</b>	247	
<b>Settled</b>	135	
<b>Civil Penalties Collected</b>	\$1,012,886	
<b>Legal Fee Savings</b>	\$660,347	

<b>ARBITRATION</b>	
<b>Arbitration Cases Initiated</b>	201
<b>Arbitration Decisions Received</b>	190
<b>Licenses Revoked for Non-Compliance</b>	18
<b>Arbitration Savings to the Public – Restitution</b>	\$934,781
<b>ACCUSATIONS/STATEMENT OF ISSUES</b>	
<b>Revocations by Accusation (Applicants Revoked)</b>	291
<b>Accusation Restitution Paid to Injured Persons</b>	\$217,280
<b>Statement of Issues (Applicants Denied)</b>	55
<b>Cost Recovery Received</b>	\$154,082
<b>Number of Cases Opened</b>	260
<b>Number of Accusations/Statement of Issues Filed</b>	184
<b>Number of Proposed Decisions Received</b>	60
<b>Number of Stipulations Received</b>	68
<b>Number of Defaults Received</b>	122
<b>Number of Decisions Mailed</b>	290

## AGENDA ITEM D

# Review, Discussion and Possible Action Regarding 2015–16 Enforcement Strategic Plan Objectives







# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN – 2015-16 UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

ENFORCEMENT OBJECTIVES	TARGET	DESCRIPTION	YES/NO
1. Establishment of Government Accounts to Obtain Court Records (I)	October 2015	County criminal records are online, but require establishment of a fee-based account to access them.	
2. Refine Proactive Strategies and Objectives (I)	December 2015	Develop a matrix to prioritize proactive response to leads, sweeps, and stings.	
3. Revision of Enforcement Manual (E)	December 2015	Establish task force to update and improve the existing complaint handling manual.	
4. Update Regulation for Assessment of Civil Penalties (I)	December 2015	Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements.	

### Other Possible Objectives

ENFORCEMENT OBJECTIVES	DESCRIPTION	YES/NO
1.		
2.		
3.		





## AGENDA ITEM E

# Review and Discussion Regarding Consumer Satisfaction Survey







CONTRACTORS STATE LICENSE BOARD  
REPORT ON THE

CONSUMER SATISFACTION SURVEY:  
2014 COMPLAINT CLOSURES  
(January to December)

Report Date: April 2015

## **Executive Summary**

The Consumer Satisfaction Survey Report is based on surveys of individuals who have filed complaints with the Contractors State License Board (CSLB) Enforcement division against licensed or unlicensed contractors. These surveys assess the public's satisfaction with CSLB's handling of their complaints. The original benchmark survey began with complaints that were closed in 1993, and assessment of consumer satisfaction has continued since that time. This report measures consumer satisfaction for complaints closed in calendar year 2014.

### *Major Findings and Comparison with Previous Years*

A total of 1,127 complainants, 22 percent of those surveyed, responded to the questionnaire, the same percentage as in 2013, and 5 percent higher than the response rate in 2012.

Table 1 on the following page summarizes the survey results from consumers with complaints closed in 2014. The table includes the annual ratings for the eight consumer satisfaction questions (service categories) over the last five years.

In 2010, the lowest agreement (46 percent) was for the question, "The action taken in my case was appropriate," whereas the highest agreement (79 percent) was for the question related to being treated courteously, a consistent pattern over the last six years. In 2014, all eight service categories showed an increase of 1-6 percent from 2013; one service category showed a 6 percent increase, two service categories showed a 5 percent increase, one service category showed a 4 percent increase, three service categories showed a 3 percent increase, and one service category showed a 1 percent increase.

The Consumer Satisfaction Survey also provides a convenient method for polling consumers on other issues. Since 2000, the survey also has been used to estimate the percentage of complainants who inquired about the contractor's qualifications with CSLB. Agreement with this question has ranged from 29 percent in 2000 to 41 percent in 2014.

**TABLE 1: HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2010-2014)**

<b>Questionnaire Statements</b>	<b>Percent Agreement by Calendar Year</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>1.</b> The CSLB contacted me promptly after I filed my complaint.	80%	77%	81%	80%	78%
<b>2.</b> The procedures for investigating my complaint were clearly explained to me.	75%	72%	75%	73%	69%
<b>3.</b> The CSLB kept me informed of my case's progress during the investigation.	66%	62%	68%	65%	61%
<b>4.</b> I was treated courteously by the CSLB's representative(s).	83%	82%	84%	82%	79%
<b>5.</b> My complaint was processed in a timely manner.	65%	60%	66%	67%	61%
<b>6.</b> I understand the outcome of the investigation (whether or not I agree with the action taken).	69%	66%	68%	65%	62%
<b>7.</b> The action taken in my case was appropriate.	58%	53%	56%	50%	46%
<b>8.</b> I am satisfied with the service provided by the CSLB.	63%	57%	60%	57%	51%

According to the most recent data, the following service category showed a 6 percent increase in satisfaction from 2013 to 2014:

- Question 8: “satisfied with service”

The following service categories showed a 5 percent increase in satisfaction from 2013 to 2014:

- Question 5: “complaint processed in timely manner”
- Question 7: “action taken in my case was appropriate”

The following service category showed a 4 percent increase in satisfaction from 2013 to 2014:

- Question 3: “was kept informed”

The following service categories showed a 3 percent increase in satisfaction from 2013 to 2014:

- Question 1: “was contacted promptly”
- Question 2: “procedures clearly explained”
- Question 6: “understand the outcome of the investigation”

The following service category showed a 1 percent increase in satisfaction from 2013 to 2014:

- Question 4: “was treated courteously”

Forty-one percent of survey respondents in 2014 selected “yes” to Question 9, “Before hiring, I inquired about my contractor’s license status with the CSLB,” (refer to Appendix A), 3 percent lower than in 2013.

The majority of complaints have retained the same characteristics as in previous years. The following attributes define the typical complaint:

- filed by a non-industry consumer (99 percent)
- involved a licensed contractor (84 percent)
- processed within six months (74 percent)
- addressed home improvement repairs or remodeling (83 percent)
- was not construction type-specific (59 percent)

In prior surveys a disproportionate number of responses came from complainants who received favorable outcomes. In order to examine possible response bias, a profile of complaint characteristics was developed for the 5,114 surveyed complainants,

including whether or not CSLB considered their complaint outcome positive, and then compared to the 1,127 complainants who responded to the survey. Sixty-three percent of the complaints in the total survey sample were closed in favor of the complainant while 61 percent of the survey responses came from those whose complaints had positive outcomes. This 2 percent discrepancy is the opposite of what usually manifests in this type of survey since; typically, complainants who receive positive outcome are more likely to respond to the CSLB survey. The 2014 results show no indication of positive response bias.

## History

In 1994 the Contractors State License Board began a program to improve consumer satisfaction with CSLB's enforcement program. A cornerstone of this effort was a survey to solicit feedback from individuals who filed complaints with the Board. The first postcard survey, covering 1993 complaint closures, was designed to serve as a benchmark in an ongoing evaluation program as well as to identify areas in need of improvement. These ongoing surveys have been conducted by CSLB's Testing division. The present report covers complaints closed between January and December 2014. When preparing the 2007 report, CSLB decided to set a new benchmark of five years in order to ensure that the benchmark data would remain current. Each year's results are now compared to data from the previous four years.

Eight of the nine questions on the 2014 survey were identical to those used since 1993, and the same seven point agreement scale also was used. From 1993 to 2009, 4,800 complainants (400 per month) were selected randomly to receive surveys. In 2010, CSLB began to email the survey to all consumers with closed complaints who had provided email addresses. In 2014, 5,114 complainants provided email addresses, 154 more than in 2013.

In 2010, the lowest agreement (46 percent) was for the question, "The action taken in my case was appropriate," whereas the highest agreement (79 percent) was for the question related to being treated courteously, a consistent pattern over the last six years. Agreement for the other service categories in 2010 ranged from 51 percent to 78 percent. In 2011, two service categories showed a 6 percent increase, three service categories a 4 percent increase, two service categories a 3 percent increase, and one service category a 2 percent increase. In 2012, one service category showed a 6 percent increase, six service categories a 1-3 percent increase, and one service category a 1 percent decrease. In 2013, two service categories showed a 6 percent decrease, and six service categories showed a 2-4 percent decrease. In 2014, all eight service categories showed an increase of 1-6 percent.

Historically, consumers also have been asked questions about CSLB issues. A question addressing contractor's qualifications was included to assess the need for public education in this area. In 2007 that question was rephrased from, "Before hiring, I inquired about my contractor's *qualifications* with the Contractors State License Board" to "Before hiring, I inquired about my contractor's *license status* with the CSLB," and the answer choices changed from an agreement scale to a yes/no format. That same year, the survey included a new, open-ended question to assess the reasons why respondents who answered "no" to the earlier question did not inquire about their contractor's license status with CSLB. Also in 2007, the survey questions were reordered so that the two questions about checking the contractor's license status became Questions 9 and 10.

In 2007, 43 percent of respondents selected "yes" in response to Question 9, 51 percent selected "no," and 6 percent did not respond. In 2008, 50 percent of respondents checked the contractor's license status with the CSLB, 44 percent did not,



and 6 percent did not respond. In 2009, 45 percent of respondents selected “yes,” 48 percent selected “no,” and 7 percent did not respond to this question. The 2010 results revealed that 45 percent of respondents selected “yes,” 49 percent selected “no,” and 6 percent did not respond. In 2011, 43 percent of respondents checked the contractor’s license status with CSLB, 53 percent did not, and 4 percent did not respond. In 2012, 38 percent of respondents checked the contractor’s license status with CSLB, 56 percent did not, and 5 percent did not respond. In 2013, 44 percent of respondents checked the contractor’s license status with CSLB, 51 percent did not, and 5 percent did not respond. For 2014, 41 percent of respondents checked the contractor’s license status with CSLB, 55 percent did not, and 4 percent did not respond.

The responses to Question 10 were reviewed and sorted into twelve comment categories. In 2008, 23% of comments indicated that the consumer did not know to check with the CSLB; 15% checked for a license number only, and 9% indicated that the contractor was referred by a friend, neighbor, or relative. In 2009, the most frequent comments addressed the following issues: consumer did not know to check with the CSLB - 25%; contractor was referred by a friend, neighbor, or relative – 15%, and consumer checked for a license number only – 11%. Between 2008 and 2009, there was also a 9% decrease in the percentage of comments indicating that complainants did not bother to check with CSLB. In 2010 CSLB eliminated the question.

## **Project Design**

### *Questionnaire Description*

The nine-item 2014 questionnaire was developed in Survey Monkey and included eight questions assessing customer service related to specific aspects of the complaint process, and one question about overall satisfaction. These questions were virtually identical to those used since 1994. Complainants were asked to rate the questions on a seven-point agreement scale that provided three levels of agreement with a question (strongly agree, agree, and mildly agree), and three levels of disagreement (strongly disagree, disagree, and mildly disagree). The rating scale also included a "neutral" point. The final question addressed whether or not consumers inquired with CSLB about their contractor’s license status prior to hiring and required a yes/no response. The questionnaire also provided space for written comments. A copy of the questionnaire is attached as Appendix A.

Before receiving the survey, each complainant’s email address was linked with his/her case number to allow for an analysis of survey responses by the nature of the complaint. The information from complaint files also helped to determine whether or not the respondent sample was representative of the larger group of complainants.

### *Sampling Procedure*

In calendar year 2014, CSLB completed the investigation or mediation process for 17,678 complaints filed by consumers against licensed and unlicensed contractors. Complainants who provided CSLB with an email address were selected from all of the

closed complaint files in 2014. Duplicate complainants and clearly incorrect email addresses were removed from the sample prior to emailing, leaving a total sample of 5,114. Surveys of consumers whose complaints were closed in that month were emailed throughout 2014 and early 2015.

### *Analysis Procedure*

Combining the three "Agreement" points, and then dividing this number by the total number of respondents, determined the level of agreement with each service category question. This procedure provided the proportion of respondents who agreed with the question.

The complaint number attached to each complainant's email address linked response ratings with specific characteristics of the complaint itself. This allowed assessment of complainant satisfaction in the context of such factors as the ultimate outcome of the complaint, the processing time for the complaint, and the license status of the contractor.

The complaint files also helped to determine whether or not the consumers who responded to the survey were representative of the total sample. Analysts developed a profile of complaint characteristics for the respondent group and compared it to the profile for the total sample. Close correspondence between the two profiles would confirm a representative (unbiased) consumer response.

### *Complainants' Comments*

In previous survey years, comments were hand-entered into a database and assigned one or more subject-specific codes (comment category). The majority of comments elaborated on the questionnaire statements; the remaining comments presented additional areas of consumer concern. Some complainants used the comment space to request contact by a CSLB representative, to indicate that they were unsure about the outcome of their case, or to provide positive remarks about CSLB representatives who handled their cases. These surveys were forwarded to CSLB Enforcement staff. Since 2010, all of the comments have been typed by the complainants themselves, thereby reducing the need to first decipher handwriting and then enter and code the comments.

## **Results**

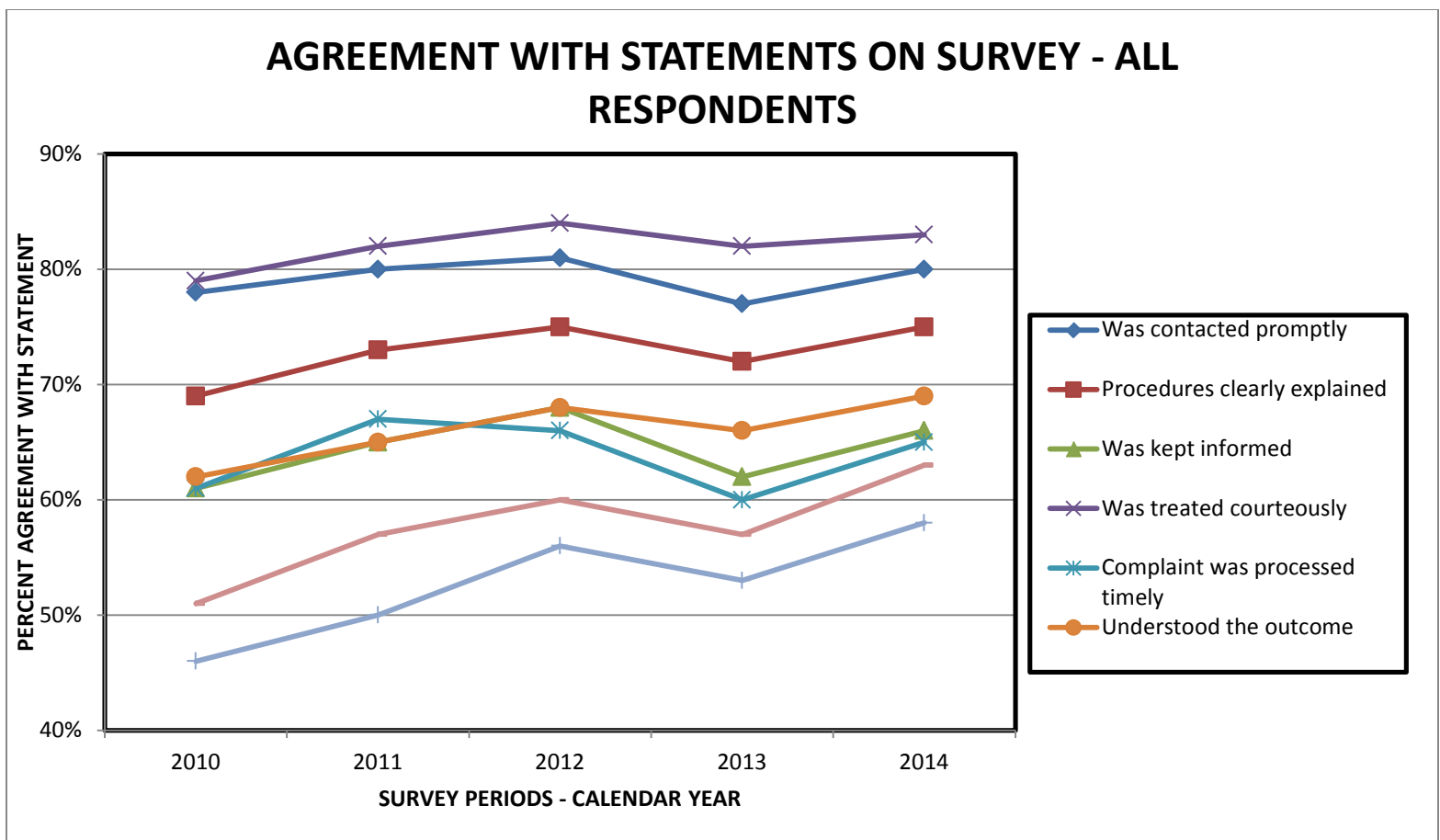
### *Response Rate*

In 2014, the total number of survey responses, 1,127, was 22 percent of those selected for the sample, the same percentage as 2013. The response rate for this survey has ranged from 17-31 percent, which is considered standard for this type of survey.

### Consumer Agreement with Questionnaire Statements

Appendix B (Table B-1) contains the detailed results for the 2014 Consumer Satisfaction Survey, indicating the individual percentages for each “agreement” category. Table 1 of the Executive Summary presents the satisfaction ratings for the 2014 survey, along with results from 2010 to 2013. This same information is presented in graph form below:

**FIGURE 1:  
HISTORICAL RESULTS OF THE  
CONSUMER SATISFACTION SURVEY  
(2010 - 2014) LINE GRAPH  
PRESENTATION**



### *Complainant's Comments*

Sixty-five percent of the responding complainants chose to include comments with their survey responses, a percentage consistent with results from 2013 and 2012. As in previous years, the comments ranged from requests for follow up, additional information about the status of complainants' cases, and feedback regarding CSLB representatives. The comments also included suggestions for procedure changes regarding the CSLB complaint process. All comments were forwarded to the CSLB Enforcement staff for review.

### *Sampling Validity*

In survey research, respondents to a survey may not be representative of the overall group, which can occur when a particular segment of the sample is more motivated to respond to the survey. In order to examine possible response bias, a profile of complaint characteristics was developed for the 5,114 surveyed complainants and compared to the 1,127 complainants who responded to the survey. The profile, contained in Appendix C, demonstrates that the responding group has similar characteristics to the sample group.

### *Response Trend*

In most prior surveys a disproportionate number of responses came from complainants who received outcomes in their favor. However, the trend did not manifest in the 2014 results. Although 63 percent of the total sample had outcomes in favor of the complainants, 61 percent of the survey respondents had outcomes in their favor. This 2 percent discrepancy is the opposite of what usually manifests in this type of survey. The results from 2012 and 2013 also indicate the absence of a positive response bias.

### *Change in Sampling Method*

Beginning in 2010, CSLB altered the sampling method from random sampling to convenience sampling. Random sampling is preferred for most surveys to ensure that the sample is representative of the overall population of interest. It assumes that characteristics such as gender, age, socioeconomic status, etc. are equally distributed across the survey population and, therefore, will be equally distributed across a random sample.

Convenience sampling selects participants based on their availability to the researcher. As applied to the CSLB consumer satisfaction survey, using an email survey rather than a paper and pencil survey reduces costs and saves staff time and, thereby, makes the most convenient sample those complainants who had provided their email addresses. While convenience sampling can induce bias in a survey, depending on the topic, there is no reason to expect that consumers who

provided their email addresses to CSLB would have different opinions on the satisfaction measures assessed by the current survey from those who did not provide email addresses.

## TECHNICAL APPENDICES

Appendix A: CONSUMER SATISFACTION SURVEY QUESTIONNAIRE

Appendix B: DETAILED RESULTS OF CONSUMER SATISFACTION SURVEY

Appendix C: CONSUMER COMPLAINT PROFILES

## APPENDIX A

### Consumer Satisfaction Survey Questionnaire

## 1. Introduction Section

Dear Consumer:

As part of our ongoing efforts to improve service to consumers, we are conducting a survey to monitor the quality of service provided to consumers who have filed a complaint with the Contractors State License Board.

Your name was selected from our complaint files that were recently closed.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed. Of course, we would also like to hear how we are serving you well.

When you are done just click on the "DONE" button at the bottom of the last page to forward your responses on to the Board.

Thank you for taking the time to participate in this survey!

Contractors State License Board



## 2. Survey instructions and questions

**Please have the person most familiar with the complaint complete the survey. Select the response that shows how much you agree with each statement on the survey.**

**We are identifying your response with your complaint number to provide specific information about CSLB operations. YOUR IDENTITY WILL BE KEPT COMPLETELY CONFIDENTIAL UNLESS YOU REQUEST CONTACT FROM THE CSLB.**

	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE
The CSLB contacted me promptly after I filed my complaint.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The procedures for investigating my complaint were clearly explained to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The CSLB kept me informed of my complaint's progress during the investigation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I was treated courteously by the CSLB's representative(s).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My complaint was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the outcome of the investigation (whether or not I agree with the action taken).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The action taken in my case was appropriate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with the service provided by the CSLB.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Before hiring, I inquired about my contractor's license status with the CSLB.**

- ☐ YES
- ☐ NO

**Comments (please include any areas that you feel our staff could improve in and/or examples of superior service to you):**

## APPENDIX B

### Detailed Results of Consumer Satisfaction Survey



# Consumer Satisfaction Survey Report - Table B-1

## Overall Results Of Consumer Satisfaction Survey

### 2014 Complaint Closures

QUESTION ASKED	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE	NO RESPONSE
1. Was contacted promptly	398 35%	395 35%	108 10%	41 4%	47 4%	64 6%	73 6%	3 0%
2. Procedures clearly explained to me	367 33%	345 31%	128 11%	58 5%	68 6%	76 7%	78 7%	9 1%
3. Was kept informed	334 30%	282 25%	124 11%	85 8%	52 5%	114 10%	124 11%	14 1%
4. Was treated courteously	597 53%	290 26%	44 4%	79 7%	25 2%	29 3%	57 5%	8 1%
5. Complaint was processed timely	362 33%	257 23%	107 10%	88 8%	51 5%	76 7%	170 5%	18 2%
6. Understood the outcome	466 39%	282 25%	50 4%	106 10%	32 3%	63 6%	149 13%	14 1%
7. Action was appropriate	380 34%	218 20%	49 4%	119 11%	38 3%	73 7%	231 21%	21 2%
8. Satisfied with service	419 38%	217 20%	57 5%	79 7%	36 3%	74 7%	225 20%	22 2%

YES			NO		NO RESPONSE	
9. Checked contractor's license status with CSLB			459 41%	623 55%	47 4%	

Number of responses: 1127

## APPENDIX C

### Complaint Profiles

Complaint Profiles  
(January - December 2014)

**TABLE C-1: ORIGIN OF COMPLAINT**

<b>Code</b>	<b>Description</b>	<b>% of Respondent Sample (1127)</b>	<b>% of Survey Sample (5114)</b>
<b>C</b>	<b>Construction Industry</b>	<b>1%</b>	<b>2%</b>
<b>P</b>	<b>Public Consumer</b>	<b>99%</b>	<b>98%</b>

**TABLE C-2: COMPLAINT PRIORITY**

<b>Code</b>	<b>Description</b>	<b>% of Respondent Sample (1127)</b>	<b>% of Survey Sample (5114)</b>
<b>D1</b>	<b>All Others</b>	<b>67%</b>	<b>66%</b>
<b>B1</b>	<b>Multi-Complaints</b>	<b>17%</b>	<b>18%</b>
<b>C7</b>	<b>Non-Licensees</b>	<b>15%</b>	<b>16%</b>
<b>C1</b>	<b>Large Monetary Injunction</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>
<b>E1</b>	<b>Priority Entered At Conversion Time</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>

Complaint Profiles  
(January - December 2014)

**TABLE C-3: INVESTIGATION TYPE**

<b>Code</b>	<b>Description</b>	<b>% of Respondent Sample (1127)</b>	<b>% of Survey Sample (5114)</b>
<b>L</b>	<b>Licensed Contractor</b>	<b>84%</b>	<b>81%</b>
<b>N</b>	<b>Non-Licensed Contractor</b>	<b>16%</b>	<b>19%</b>

**TABLE C-4: CONSTRUCTION TYPE**

<b>Code</b>	<b>Description</b>	<b>% of Respondent Sample (1127)</b>	<b>% of Survey Sample (5114)</b>
<b>0</b>	<b>Electrical</b>	<b>3%</b>	<b>3%</b>
<b>1</b>	<b>All Trades</b>	<b>25%</b>	<b>26%</b>
<b>2</b>	<b>Roofing</b>	<b>4%</b>	<b>4%</b>
<b>3</b>	<b>Painting</b>	<b>4%</b>	<b>3%</b>
<b>4</b>	<b>Masonry and Cement</b>	<b>4%</b>	<b>4%</b>
<b>5</b>	<b>Stucco, Plastering, and Drywall</b>	<b>1%</b>	<b>1%</b>
<b>6</b>	<b>Heating and Air Conditioning</b>	<b>6%</b>	<b>5%</b>
<b>7</b>	<b>Plumbing</b>	<b>6%</b>	<b>6%</b>
<b>8</b>	<b>Cabinets</b>	<b>1%</b>	<b>1%</b>
<b>9</b>	<b>Landscaping</b>	<b>6%</b>	<b>5%</b>
<b>L</b>	<b>Other</b>	<b>35%</b>	<b>35%</b>
<b>M</b>	<b>Insulation</b>	<b>&lt; 1%</b>	<b>&lt; 1%</b>
<b>N</b>	<b>Solar</b>	<b>2%</b>	<b>2%</b>
<b>X</b>	<b>No Construction</b>	<b>3%</b>	<b>3%</b>

Complaint Profiles  
(January - December 2014)

**TABLE C-5: CONSTRUCTION COST/CONTRACT**

Description	% of Respondent Sample (1127)	% of Survey Sample (5114)
No Contract	17%	18%
\$2,000 or less	82%	81%
\$2,001 to \$3,000	< 1%	< 1%
\$3,001 to \$4,000	< 1%	< 1%
\$5,001 to \$6,000	< 1%	< 1%

Complaint Profiles  
(January - December 2014)

**TABLE C-6: FINANCIAL INJURY AMOUNT**

Description	% of Respondent Sample (1127)	% of Survey Sample (5114)
\$30,001 or more	75%	71%
No Amount Reported	24%	28%
\$2,000 or less	1%	< 1%
\$5,001 to \$10,000	< 1%	< 1%
\$10,001 to \$30,000	< 1%	< 1%

**TABLE C-7: PROJECT TYPE**

Code	Description	% of Respondent Sample (1127)	% of Survey Sample (5114)
J	Repairs and Remodeling	83%	81%
L	Other	6%	7%
X	No Construction	4%	4%
F	Swimming Pool	3%	4%
B	New Construction (Single Unit-Custom)	2%	2%
E	New Construction (Home Improvement)	1%	1%
D	New Construction (Commercial)	1%	1%
A	New Construction (Single Unit-Tract)	< 1%	< 1%
C	New Construction (Multiple Units)	< 1%	< 1%
G	Mobile Home	< 1%	< 1%



Complaint Profiles  
(January - December 2014)

**TABLE C-8: ELAPSED TIME OF COMPLAINT PROCESSING**

Description	% of Respondent Sample (1127)	% of Survey Sample (5114)
1 month or less	15%	26%
1 to 2 months	25%	22%
2 to 3 months	17%	15%
3 to 4 months	7%	6%
4 to 5 months	6%	5%
5 to 6 months	5%	4%
6 to 12 months	24%	20%
1 to 2 years	2%	1%

Complaint Profiles  
(January - December 2014)

**TABLE C-9: CLOSING ACTION**

Code	Description	% of Respondent Sample (1127)	% of Survey Sample (5114)
CL70	Settled in Screening (CSR) [+]	22%	25%
CL20	Insufficient Evidence	16%	16%
CL90	No Further Action	13%	13%
CL1C	Citation [+]	8%	7%
CL50	Settled in Investigation (Deputy) [+]	6%	6%
CL80	Minor Violation - Warning [+]	5%	5%
CN60	Citation (Non-License) [+]	5%	5%
CN10	Prosecutor (Non-Licensee) [+]	4%	4%
CL30	No Jurisdiction	4%	4%
CL1A	Accusation [+]	3%	3%
CN20	Insufficient Evidence (Non-Licensee)	3%	3%
CL7M	Mandatory Arbitration [+]	3%	2%
CN40	No Further Action (Non-Licensee)	2%	2%
CL60	License Already Revoked [+]	1%	2%
CN50	No Further Action - Warning [+]	1%	1%
CN30	No Jurisdiction (Non-Licensee)	1%	1%
CL7A	Voluntary Arbitration [+]	1%	1%
CL40	No Violation	< 1%	< 1%
CL10	Prosecutor [+]	< 1%	< 1%
CL7N	On-Site Negotiation [+]	< 1%	< 1%

## AGENDA ITEM F

# Review, Discussion and Possible Action Regarding Proposed Changes to Minimum CSLB Peace Officer Training Standards







# CONTRACTORS STATE LICENSE BOARD

## PEACE OFFICER MINIMUM TRAINING REQUIREMENTS

Historically, the Contractor State License Board's (CSLB) Enforcement division included three peace officer positions. These positions were always filled with internal CSLB candidates, who remained in their positions until retirement. In 2011, CSLB obtained legislative approval for nine additional peace officer positions, for a total of 12 officers.

Many of our current officers were hired during the recent recession, when other law enforcement agencies were either not hiring or were laying off staff. But now that other law enforcement agencies have begun to hire again, CSLB finds itself at a competitive disadvantage. In the last 18 months, six peace officers have resigned their positions.

The current salary range for CSLB peace officers is \$4,748 to \$6,140 per month. Other agencies pay their peace officers much more. Correctional Officers with the California Department of Corrections (CDCR, the former employer of three CSLB peace officers) can achieve a maximum salary of \$6,389 per month, while CDCR parole officers (the former job of another three CSLB officers) have a top monthly salary of \$7,437. The website for the Commission on Peace Officer Standards and Training (POST) currently lists open examinations for peace officer positions at 146 different agencies throughout California. Of the six CSLB peace officers and candidates who have resigned, five have left for higher paying peace officer positions and one retired.

Compounding the problem of salary differential is CSLB's current requirement, adopted by the Board at the December 11, 2012 meeting, that CSLB peace officers attend a full peace officer training academy, the POST-certified, 17-week Specialized Investigator Basic Course (SIBC), or equivalent. **Note: The 64-hour Penal Code 832 Arrest and Firearms Course (PC 832 Course) is the minimum training standard for California peace officers as specified in Commission Regulation 1005.**

After much deliberation, the Enforcement division believes that the SIBC may not be necessary for CSLB peace officers. Moreover, the required 17-weeks of training discourages promising internal candidates at CSLB from applying for vacant peace officer positions.

Staff requests that the Enforcement Committee review current policy requiring completion of the SIBC (or equivalent) and consider recommending elimination of the SIBC requirement to the full Board, while retaining the mandatory Penal Code 832 training course.



Following is the December 11, 2012 agenda item:

### **PEACE OFFICER MINIMUM TRAINING REQUIREMENTS**

All peace officers in California are required to complete minimum training requirements established by the California Commission on Peace Officer Standards and Training (POST), pursuant to Penal Code (PC) section 832. Additional training requirements and recommendations have been established by POST for law enforcement agencies.

Historically, CSLB peace officers have been required to attend the Specialized Investigator Basic Course (SIBC) Academy through Golden West College in Huntington Beach. Golden West College has been the only college authorized by POST to conduct this specialized training. Unfortunately, POST is closing the SIBC course during the 2013 calendar year to conduct studies on budgetary and enrollment concerns, and this closure may be permanent.

While the SIBC Academy is unavailable, CSLB must identify appropriate, alternative training for its newly hired peace officer candidates. The available options include requiring CSLB peace officers to 1) attend a "Basic POST Academy," as used for training new police officers for local law enforcement agencies, or 2) complete other POST-certified classes, as selected by CSLB, to meet our department's own training requirements. Available POST-certified training programs include the mandatory PC 832 course (required for all peace officers prior to appointment) and additional "modules," which are established by POST with set groups of Academy-style courses. Unlike the unique SIBC Academy, these other POST programs are offered by multiple community colleges and safety training centers throughout the state.

Enforcement division staff has discussed the specific training needs of its peace officers with POST; POST has recommended that, in the absence of SIBC training, CSLB send its law enforcement personnel to available PC 832 and POST Module training. After reviewing the available course options, the Enforcement division believes that the Learning Domains of POST Module III are the most appropriate for its peace officer personnel. The Learning Domains (LDs) within Module III are shown below:

#### **POST Module III Training Specification**

- [Module III Minimum Hourly Requirements](#)
- [LD 01 Leadership, Professionalism & Ethics](#)
- [LD 02 Criminal Justice System](#)
- [LD 03 Policing in the Community](#)
- [LD 05 Introduction to Criminal Law](#)
- [LD 15 Laws of Arrest](#)
- [LD 16 Search and Seizure](#)
- [LD 17 Presentation of Evidence](#)
- [LD 18 Investigative Report Writing](#)



- LD 19 Vehicle Operations
- LD 20 Use of Force
- LD 28 Traffic Enforcement
- LD 30 Crime Scenes, Evidence, and Forensics
- LD 31 Custody
- LD 33 Arrest Methods/Defensive Tactics
- LD 34 First Aid and CPR
- LD 35 Firearms/Chemical Agents
- LD 36 Information Systems
- LD 39 Crimes Against the Justice System
- LD 42 Cultural Diversity/Discrimination

### **Review and Approval of Recommendation Regarding Minimum Peace Officer Training Requirements**

The Enforcement Committee is requesting that the Board approve training requirements for CSLB peace officers. Specifically, the Board is being asked to approve minimum training standards for a CSLB peace officer, as follows:

- After successful completion of a background investigation, candidates may be appointed as a CSLB peace officer upon successful completion of POST-approved PC 832 training.
- Within the first year after appointment (i.e., during the probationary period), CSLB peace officers must successfully complete either the SIBC Academy, if available, or POST Module III training.
- Failure to complete these specified training requirements will result in removal from the peace officer position.





## AGENDA ITEM G

Adjournment





APRIL 27, 2015  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Public Affairs  
Committee Meeting





## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair's Introductory Remarks

Roll is called by the Committee Chair.

PUBLIC AFFAIRS COMMITTEE MEMBERS:

PASTOR HERRERA JR., CHAIR

JOAN HANCOCK

BOB LAMB

ED LANG

NANCY SPRINGER

Committee Chair Pastor Herrera Jr. will review the scheduled  
Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).







## AGENDA ITEM C

# Public Affairs Program Update







# CONTRACTORS STATE LICENSE BOARD

## PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, consumer relations, and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and intranet content.

### STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant. There is currently one vacancy (Information Officer I), which should be filled before the end of April. Paperwork is being processed to add a position for a second Student Assistant.

### ONLINE HIGHLIGHTS

#### Website Redesign Project

On September 5, 2014, CSLB successfully launched its new website. PAO and Information Technology (IT) staff continue to make minor edits on a weekly basis.

Website statistics for September 5, 2014 through April 10, 2015 follow:

Statistic	Title	Description
<b>5,740,467</b>	Number of Sessions	Number of sessions when a user is actively engaged on the CSLB website
<b>2,542,942</b>	Number of Users	Number of new and returning users to the CSLB website
<b>36,669,537</b>	Number of Page Views	Total number of pages viewed
<b>6.39</b>	Average Pages per Session	Average number of pages viewed during a session (includes repeated views to same page)
<b>4:55</b>	Average Session Duration	Average length of a session
<b>25.44%</b>	Bounce Rate	Percentage of visits to CSLB website where visitor viewed only one page
<b>41.16%</b>	Percentage of New Sessions	Estimate of the percentage of first-time visits



Country	# of Sessions	% of Sessions
United States	5,268,115	91.77%
China	179,564	3.13%
India	34,096	0.59%
Belarus	31,725	0.55%
Canada	8,487	0.15%
Russia	8,191	0.14%

State	% of Sessions
California	72.33%
Virginia	9.12%
Illinois	2.66%
Colorado	2.15%
Texas	1.62%

Device Type	% of Sessions
Desktop	84.14%
Mobile	12.59%
Tablet	3.27%

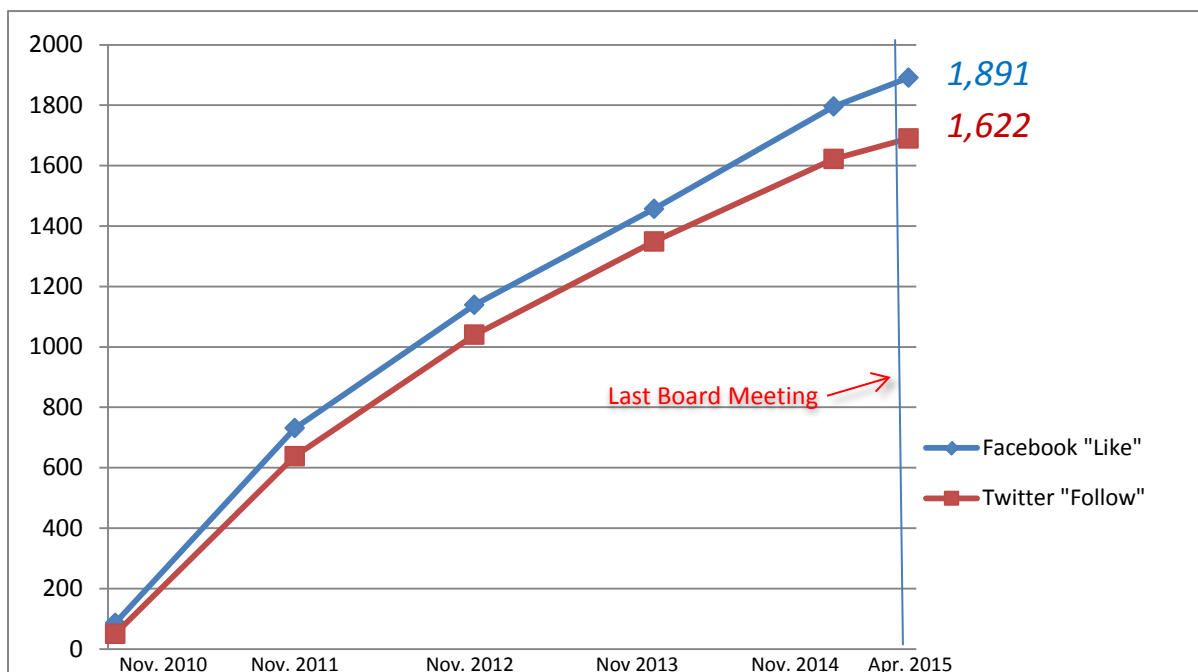
Desktop Browser	% of Sessions
Chrome	35.59%
Internet Explorer	31.92%
Firefox	18.31%
Safari	12.01%

Mobile/Tablet Devices	% of Sessions
Apple iPhone	39.32%
Apple iPad	16.99%
Samsung SM-G900V Galaxy S5	2.33%
Samsung SM-G900A Galaxy S5	1.33%
Samsung SCH-1545 Galaxy S IV	1.30%
Samsung SM-N900V Galaxy Note 3	1.15%
Samsung SM-G900P Galaxy S5	1.06%
Samsung SCH-I535 Galaxy S III	0.89%
Samsung SM-N900T Galaxy S5	0.85%

**VIDEO/DIGITAL SERVICES****Public Meetings**

- Board Meeting Live Webcast

On March 16, 2015, PAO worked with the Department of Consumer Affairs Office of Public Affairs to provide a live webcast of the quarterly Board meeting, held in Glendale. This assistance will continue until PAO's open Information Officer I is filled.

**Social Media****Facebook/Twitter Growth****Facebook Growth**

As of April 10, 2015, CSLB has 1,891 "likes" on its Facebook page, an increase of 95 since the December 2014 Board meeting.

**Twitter Growth**

Between February 22, 2015 and April 10, 2015, CSLB gained 68 followers on Twitter, growing from 1,622 to 1,690.

**YouTube Growth**

Since the December 2014 Board meeting, the 70 videos on CSLB's YouTube channel have been viewed 292,077 times.



The video series, “Completing a Contractor License Application” accounts for more than one-third (39.5%) of the views. The nine videos in this series have been watched 115,521 times.

### **Flickr Growth**

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs, or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of April 10, 2014, CSLB has 98 photos on Flickr available for download.

### **Email Alert Feature**

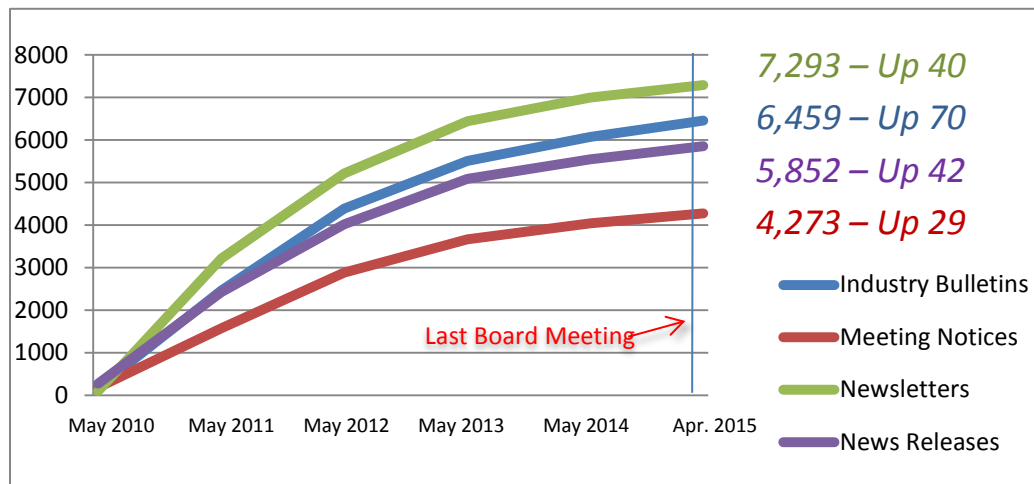
PAO continues to publicize a website feature launched in May 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

- *California Licensed Contractor* newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

The subscriber database has a current total of 23,877 subscriptions, which includes 181 new accounts since the March 2015 Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,402 active email addresses, which brings the combined email database to 102,279 addresses.

### **Email Alert Sign-Up Statistics**



## MEDIA RELATIONS HIGHLIGHTS

### Media Calls

Between February 20, 2015 and April 10, 2015, PAO staff responded to more than 30 media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

### News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between February 18, 2015 and April 10, 2015, PAO distributed five news releases.

Release Date	Release Title
February 25, 2015	CSLB Finds Repeat Offenders in Alhambra Undercover Sting
February 26, 2015	Almost Two Dozen Bogus Contractors Caught in Less Than One Week at Contractors State License Board's Sacramento-Area Stings
March 13, 2015	CSLB Catches Felons, Other Known Criminals in Simultaneous Statewide Undercover Sting Operations
March 27, 2015	CSLB Reminds Contractors to Register with DIR Before Bidding on Public Works Projects
April 10, 2015	Contractors State License Board, Bonney Plumbing Reach Settlement

### News Media Events

PAO hosted a media event on March 13, 2015, to announce the results of CSLB's Spring California Blitz sting operation. The event was held in Madera and included participation from Madera County District Attorney David Linn and City of Madera Police Chief Steve Frazier.



In addition, on April 1, 2015, PAO Chief Rick Lopes participated in a media event held by Kern County District Attorney Lisa Green, which centered on unlicensed contracting and a recent conviction of an unlicensed contractor that led to a one-year county jail term.



**INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS****Industry Bulletins**

PAO distributes industry bulletins to alert industry members to important and interesting news. Bulletins are sent via email on an as-needed basis to just over 6,000 individuals and groups, including those who have signed-up to receive the bulletins via CSLB's Email Alert system. Between February 18, 2015 and April 10, 2015, PAO distributed two industry bulletins.

Release Date	Bulletin Title
February 27, 2015	Industry Expert Contractors Needed in Central Valley
March 27, 2015	CSLB Reminds Contractors to Register with DIR Before Bidding on Public Works Projects

**PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS**

CSLB publications (print and online) in production:

**Completed**

- Winter 2015 *California Licensed Contractor* newsletter

**In Production**

- Description of Classifications booklet
- New outreach pull-up banners
- New contractor/applicant guide (booklet)
- New consumer guide (booklet)
- Wall posters for Fresno & Norwalk offices
- Mechanics lien brochure (Spanish)
- Original License Application form

**In Development**

- New Senior Scam Stopper flyer template
- New CSLB *Fast Facts* template
- New Industry Expert Program Inspection/Hearing Invoice form
- New Mandatory Settlement Conference Tips card



**COMMUNITY OUTREACH HIGHLIGHTS****Senior Scam Stopper<sup>SM</sup> Seminars**

Fifteen Senior Scam Stopper<sup>SM</sup> seminars were conducted since the December 2014 Board meeting. The 400<sup>th</sup> seminar was conducted on Tuesday, March 10, 2015.

The following seminars have been conducted since that date, or are scheduled through the end of May:

<b>Date</b>	<b>Location</b>	<b>Legislative/Community Partner(s)</b>
March 20, 2015	Anaheim	Asm. Tom Daly
March 26, 2015	Suisun City	Asm. Jim Frazier
March 27, 2015	Santa Ana	Asm. Tom Daly
April 1, 2015	Sacramento	Neil Orchard Sr. Activities Center
April 2, 2015	Los Angeles	Sen. Ben Allen
April 6, 2015	San Diego	Rep. Scott Peters
April 9, 2015	Fontana	Rep. Norma Torres
April 10, 2015	Vacaville	Asm. Jim Frazier
April 16, 2015	Castro Valley	Asm. Bill Quirk
April 17, 2015	Thousand Oaks	Asm. Jacqui Irwin
May 1, 2015	San Marino	Sen. Carol Liu
May 8, 2015	Foster City	Asm. Kevin Mullin
May 9, 2015	Los Angeles	Asm. Sebastian Ridley-Thomas
May 13, 2015	San Jose	Asm. Nora Campos
May 14, 2015	Pleasanton	Asm. Catharine Baker
May 15, 2015	Indio	Sen. Jeff Stone
May 20, 2015	Leisure World/Seal Beach	Leisure World Parks & Rec. Dept.
May 21, 2015 AM	San Diego	Rep. Scott Peters
May 21, 2015 PM	Los Angeles	Asm. Sebastian Ridley-Thomas
May 22, 2015	Murrieta	Sen. Jeff Stone
May 27, 2015	San Jose	Asm. Nora Campos
May 28, 2015	Union City	Asm. Bill Quirk
May 29, 2015	Camarillo	Asm. Jacqui Irwin
June 9, 2015	San Jose	Asm. Nora Campos
June 12, 2015	San Luis Obispo – TBA	Sen. Bill Monning
June 16, 2015	Culver City	Asm. Sebastian Ridley-Thomas
June 19, 2015	Altadena	Asm. Chris Holden



## EMPLOYEE RELATIONS

### Intranet (CSLBin)

In November 2013, PAO, with the assistance of IT staff, launched a new employee-only intranet site, called *CSLBin*. The site reorganized information used by employees on a daily basis.

Since its debut, *CSLBin* has posted dozens of stories and photos of CSLB employees around the state and their good deeds, as well as board highlights, including disaster response and enforcement operations.

News about employees and the organization are prominently featured on the *CSLBin* home page. Another section, "Employee Highlights," features more staff news such as awards, retirements, and promotions. There also is a photo gallery where multiple pictures are posted and a "10-Second Bio" that spotlights CSLB employees in their work role or in the community. An archive section houses older stories and photos that can be easily retrieved.

Staff reaction to the site has been very positive. Employees from around the state have supplied a steady stream of photos and news tips about colleagues and upcoming events.

*CSLBin* also functions as a resource center for employees, with easier-to-find forms, policies, training and safety information, and other information used by staff around the state. Other features include bios of all Board members, an enhanced staff phone list, event calendar, real-time weather updates, and photo slide shows.



## AGENDA ITEM D

# Review, Discussion and Possible Action Regarding 2015–16 Public Affairs Strategic Plan Objectives







### Public Affairs Office Communications Plan

#### I. Purpose

CSLB's Public Affairs Office (PAO) provides relevant, accurate, and consistent information to various stakeholders and audiences. Communications include all written, spoken, visual, and electronic (including Internet) interactions.

This plan supports CSLB's strategic objectives, and provides a framework for the variety of internal and external communications that will be developed and managed from 2015-2017.

PAO's range of distribution methods effectively relays the CSLB consumer protection and education messages to help gain support and cooperation from the general public and multiple stakeholder groups.

#### II. CSLB Mission Statement

The Contractors State License Board (CSLB) protects consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.

CSLB accomplishes this by:

- Ensuring that construction is performed in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring licensure for any person practicing or offering to practice construction contracting;
- Enforcing the laws, regulations, and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- Educating consumers so they can make informed choices.

#### III. Public Affairs Office Mission Statement

PAO's mission is to provide timely, accurate, and useful information to CSLB's stakeholders, with a primary goal of protecting California consumers in matters relating to construction.

PAO accomplishes this by:

- Providing information and materials to educate consumers so they can make informed choices when hiring contractors and managing a construction project;
- Building and maintaining a positive, responsive, and professional relationship with news media outlets and reporters;
- Expanding CSLB's visibility with consumers, licensees, potential licensees, and the construction industry;
- Serving as an information conduit for CSLB's employees and Board members; and
- Partnering with other state and local government agencies, including trade organizations and other interested groups.

**IV. Staff and Financial Resources****▪ Public Affairs Staff**

<b>Position Title</b>	<b>Name</b>	<b>Key Duties</b>
Chief of Public Affairs	Rick Lopes	Lead for Public Affairs Office, Charts Direction of Communications Program, Leads Media Relations Efforts, Special Projects
Information Officer II	Melanie Bedwell	First-Level Supervisor, Contract Manager, PAO Project Manager, Publications Director, Special Projects, Media Relations
Information Officer I	<b>Vacant</b>	Media Relations, Video Production and Digital Coordinator, Social Media Outreach Coordinator
Information Officer I	Steve Breen	Publications Coordinator, Intranet Coordinator, Media Relations
Graphic Designer III	Amber Foreman	Graphic Design and Publication Production
Associate Government Program Analyst	Jane Kreidler	Outreach Coordinator, Senior Scam Stopper <sup>SM</sup> Program, Speakers Bureau Coordinator
Student Assistant	Christopher Cardoso	Office Support
Student Assistant (Temporary)	<b>Vacant</b>	Office Support – for Summer 2015

**▪ Financial Resources**

The Public Affairs Office has a \$700,000 budget allotted specifically for paid advertising and other outreach programs through an outside advertising/public relations agency. Other outreach costs (publications, travel, etc.) are part of CSLB's operating budget. No paid advertising campaigns were conducted during the previous Communications Plan period (2011-2014).

**V. Guiding Principles**

PAO is committed to using its individual and collective experience, judgment, and talent to provide staff with the most effective and creative public relations counsel and services possible.

Staff proactively advocates for the interests of CSLB and California consumers, based on the belief that the board serves an important regulatory role for one of the state's most important industries, and that educated consumers are in a better position to protect themselves from problems during a construction-related project. PAO believes in paying special attention to opportunities to offer an increased level of protection for vulnerable California populations, including those with a low income and older adults.



CSLB is mandated to ensure that contractors meet the minimum trade standards for licensure; PAO serves as an educational resource for licensees, providing information to help them understand laws and operate a successful business.

PAO provides Board members with CSLB information and facts to assist them when developing board policy and addressing the public.

PAO strives to use the newest and most effective communication channels and technology to reach its various stakeholders, utilizing the Internet whenever possible, and other cost-effective methods that provide wide audience reach.

The contributions of each PAO staff member is honored and the team's success reflects individual and collective efforts.

## **VI. Target Audiences**

- Consumers
  - Vulnerable Populations, especially Seniors and Low-Income
- Licensees
- Unlicensed Contractors
- Industry and Trade Groups
- Building Officials/Departments
- State Elected and Appointed Officials and Representatives
- Prosecutorial Agencies
- Other Interested Groups

## **VII. Communication Messages**

- Check The License First
- Consumers take a big risk when they hire an unlicensed contractor
- CSLB is a resource when hiring a contractor
- Know Your Rights
- Unlicensed or unscrupulous contractors may try to scam you (disaster)
- Benefits of becoming/How to become a licensed contractor
- Putting construction project success in consumers' hands

## **VIII. Communication Channels**

The current message delivery environment is most successful through electronic-driven channels:

- CSLB Website
- Video
- Reality-Based Television Show(s)
- Social Media
- Publications (online and print)



- Media Outreach (news releases, industry bulletins, media events)
- Community Outreach (Senior Scam Stopper<sup>SM</sup> seminars, CSLB Speakers Bureau)
- Paid Advertising
- Industry/Trade Publications

**IX. Short-Term Goals**

- Attract Media Attention to News Releases and Other Outreach
- Respond Quickly and Accurately to Media Inquiries
- Increase Video-Producing Capabilities, especially live Web streaming
- Build Social Media Presence
- Maintain Current Consumer Outreach Programs
- Develop New Opt-In Licensee Search Feature for CSLB Website
- Utilize Technology to Develop Opportunities to Interact with Various Stakeholders
- Regularly Update CSLB Website & Intranet Content
- Maintain Most Wanted Website Feature
- Help Re-establish CSLB Forms Committee

**X. Long-Term Goals**

- Build CSLB Awareness with Consumers
- Develop CSLB Brand as a Leading Consumer Protection Agency
- Expand Graphics Brand Across All Facets of CSLB
- Build Partnerships to Extend Outreach Budget
- Stay on the Leading Edge of Technology for Effective Communication
- Maintain Educational Materials Available to Licensees
- Develop Newsletter Committee (editorial board)
- Expand Partnerships with Other State, Federal, and Local Agencies, as well as Industry/Trade groups
- Provide Expanded Video and Printed Educational Materials
- Increase the Number of Foreign Language Print and Online Materials

**XI. Timetable and Priorities**

Specific timetables and priorities are determined and set by the Board during its annual strategic planning session.

**XII. Measurements of Success**

- Increase in Website License Look-Ups
- Increase in Visits to CheckTheLicenseFirst.com
- Conducting at Least Two Senior Scam Stopper<sup>SM</sup> Seminars Per Month





- Number of Partnerships Created
- Number of Press Releases Issued
- Number of Press Events Conducted
- Number of Live Webcasts Produced
- Number of Videos Produced
- Increase in Facebook “Likes”
- Increase in Twitter “Followers”
- Feedback from Periodic Surveys
- Number of Chat Events Hosted
- Launch of Licensee Education Page
- Number of Foreign Language Materials Available and Distributed

Numeric values that represent improvement goals and results will be given to the above methods, such as percentages of increase, number of impressions, surveys, and other measurable tracking.



# CONTRACTORS STATE LICENSE BOARD

## 2014-15 STRATEGIC PLAN UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

PUBLIC AFFAIRS OBJECTIVES	TARGET	STATUS
1. Establish outreach strategy to address predatory service and repair scams (E)	August 2014	Completed – ongoing adjustments
2. Complete flagship consumer publication (E)	<del>September 2014</del> <del>December 2014</del> <del>March 2015</del> May 2015	Delayed due to graphic designer vacancy and Sunset Review report
3. Complete flagship contractor publication (E)	<del>December 2014</del> <del>March 2015</del> July 2015	Delayed due to graphic designer vacancy and Sunset Review report
4. Work with Information Technology division to determine feasibility of developing opt-in “Find a Contractor” website feature (B)	December 2014	Completed – Implementation may not happen until BreEZe
5. Work with Information Technology division to determine feasibility/need to update pocket license cards (B)	December 2014	Preliminary meeting has occurred
6. Determine feasibility of developing system to send licensees renewal information and updates via text and email (B)	<del>December 2014</del> June 2015	Tied to BreEZe
7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	<del>December 2014</del> June 2015	Not necessary at this time
8. Develop contractor bid presentation kit (B)	March 2015	Completed – “Ambassador Program” Information Posted Online
9. Develop CSLB style guide and grand standards manual (B)	<del>March 2015</del> June 2015	Delayed due to graphic designer vacancy



# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN – 2015-16 UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

PUBLIC AFFAIRS OBJECTIVES	TARGET	DESCRIPTION	YES/NO
1. Complete Flagship Consumer Publication (E)	May 2015	Continued from 2014-15 Strategic Plan	
2. Complete Flagship Contractor Publication (E)	July 2015	Continued from 2014-15 Strategic Plan	
3. Develop Realtor Outreach Program (B)	September 2015	Develop program to educate realtors, a prime referral source for new homeowners to locate contractors	
4. Develop CSLB Style Guide and Standards Manual (B)	December 2015	Continued from 2014-15 Strategic Plan	
5. Determine Feasibility of Building a Full-Service Broadcast Studio (I)	December 2015	Assess feasibility/costs of constructing a broadcast studio in space currently occupied by Public Affairs Office staff	
6. Determine Feasibility of Updating John C. Hall Hearing Room, including Video Monitors, and Improved Audio System (B)	December 2015	Assess feasibility/cost of updating hearing room to improve audio/visual services for meeting participants and audience	

### Other Possible Objectives

PUBLIC AFFAIRS OBJECTIVES	DESCRIPTION	YES/NO
7. Develop “State of California Licensed Contractor” Logo for Use by Licensees	CSLB does not allow use of its logo by any other group, or by licensees. Should CSLB develop a logo that can be used by licensees to promote the fact they are licensed by the state of California?	
8. Develop Schedule for Development of an Opt-In, “Find a Contractor” Website Feature	This project has been on PAO's wish list for a number of years, but was put on hold in order to focus on development of the new website.	
9. Determine Feasibility of Developing a Mobile Web App	CSLB's new website is optimized for smartphones, tablets, and other mobile devices. Is there a need/opportunity to create a specific <a href="#">mobile app</a> for any CSLB stakeholder group?	
10. Develop Features for Use on Contractors/Industry Members' Websites	Utilize <a href="#">Rich Site Summary</a> (RSS) to create content that can be used on licensee or industry group websites	
11.		



## AGENDA ITEM E

Adjournment

